

**MEMORANDUM OF AGREEMENT
BETWEEN
THE STATE OF ALABAMA DEPARTMENT OF FINANCE
AND
THE ALABAMA DEPARTMENT OF VETERANS AFFAIRS
FOR THE DISTRIBUTION AND ADMINISTRATION OF
CORONAVIRUS STATE FISCAL RECOVERY FUNDS**

This Memorandum of Agreement (the “Agreement”) is made by and between the State of Alabama Department of Finance, at 600 Dexter Avenue, Montgomery, Alabama 36130 (“DOF”), and the Alabama Department of Veterans Affairs, at 100 North Union Street, Suite 850, Montgomery, Alabama 36104 (“ADVA”). DOF and ADVA may be referred to herein individually as a “party” and collectively as the “parties.” This Agreement becomes effective on the approval of the parties and the Governor of the State of Alabama.

I. PURPOSE

The federal American Rescue Plan Act of 2021, Public Law No. 117-2, 135 Stat. 4 (“ARPA”) was signed into law on March 11, 2021. ARPA amended the federal Social Security Act to add Section 602 to the Social Security Act, and by doing so, created the Coronavirus State Fiscal Recovery Fund (hereinafter referred to as “FRF”). ARPA appropriated funds from the FRF to the State of Alabama and other states to support their response to the impact of COVID-19 on their communities, residents, and businesses; and to aid in efforts to contain COVID-19. Under Section 602 of the Social Security Act, FRF funds may be used to cover costs incurred by the State on or before December 31, 2024, for one of four broad purposes:

- A. To respond to the COVID-19 public health emergency or its negative economic impacts, including assistance to households, small businesses, and nonprofits; or for aid to impacted industries;
- B. To respond to workers performing essential work during the COVID-19 public health emergency, by providing premium pay to eligible workers who are performing essential work, or by providing grants to eligible employers that have eligible workers who perform essential work;
- C. For the provision of government services to the extent of the reduction in revenue of the State due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year prior to the emergency; and
- D. To make necessary investments in water, sewer, or broadband infrastructure.

The Secretary of the Treasury has promulgated regulations for purposes of implementing FRF. On April 1, 2022, the Final Rule, published in the January 27, 2022, Federal Register, at 87 Fed. Reg. 4338 (the “Final Rule”), took effect.

The State of Alabama received \$2,120,279,417 in FRF funding from the federal government. Section 1(a)(5) of Alabama Act No. 2023-1 (the “Act”) appropriates up to

\$25,000,000 of such funds to DOF to be used to support mental health programs and services. The Act authorizes DOF to delegate these funds through memoranda of agreement to ADVA and the Department of Mental Health (“ADMH”). By way of this Agreement, DOF is allocating \$2,000,000 (the “funds”) of the funds to ADVA to support mental health programs and services. ADVA use of the funds may be administered through an agreement with ADMH to administer the grant. ADVA will comply with all rules and requirements set forth in ARPA and related guidance from the U.S. Treasury Department.

On November 16, 2022, the parties entered into an agreement (Appendix A) whereby \$5,000,000 of FRF funds were provided to ADVA in accordance with Alabama Act No. 2022-1 for the purposes listed therein. To the extent that the funds included in Appendix A have not been expended by ADVA, the terms of this Agreement’s Purpose, Parties’ Responsibilities, Termination of Agreement, and Miscellaneous Provisions shall supersede Appendix A and the transfer, obligation, expenditure, and accounting of all funds shall be controlled by this Agreement.

II. PARTIES’ RESPONSIBILITIES

A. ADVA agrees to the following:

1. To use the funds in accordance with Section 602 of the Social Security Act, the Final Rule, the Act, and other applicable federal and state law, and for the purposes set forth in this Agreement and in Appendix B, and for no other purpose;
2. To comply with the federal Uniform Guidance applicable to federal assistance funds, including, but not limited to, complying with the State’s applicable procurement laws;
3. To provide to the State Finance Director’s Office by September 15, 2023, and monthly thereafter on the 15th of every month, a statewide report detailing how the funds are being utilized and details of expenditures made since the preceding report, and further provide quarterly reports beginning on October 15, 2023, as well as interim reports as the State Finance Director’s Office may determine necessary;
4. To provide to DOF all information requested in a complete and timely manner;
5. To return any Funds provided by DOF under this Agreement that remain unobligated on June 1, 2024 by June 30, 2024;
6. To provide to the State Finance Director’s Office on June 1, 2025 and June 1, 2026, reports setting forth the expenditure status of all obligated Funds, to include the anticipated status of funds between the date of the report and the final return date set forth below; and
7. To return any Funds provided by DOF under this Agreement that remain unspent on June 1, 2026 by December 1, 2026.

B. DOF agrees to the following:

1. Within 14 days of the effective date of this Agreement, to provide \$2,000,000 to ADVA from the funds as described herein and in Appendix B; and

2. To satisfy all federal reporting requirements applicable to the funds.

III. TERMINATION OF AGREEMENT

Except as set forth in this section, this Agreement may be terminated by either party for any reason with sixty days' written notice to the other party. If ADVA determines that it will not pursue this project for whatever reason, it may terminate this Agreement upon written notice to the State Finance Director and upon return of any unspent funds. DOF may terminate this Agreement immediately upon written notice to ADVA.

IV. MISCELLANEOUS PROVISIONS

A. The terms and commitments contained herein shall not constitute a debt of the State of Alabama, which is prohibited by Section 213 of the Official Recompilation of the Constitution of Alabama, 2022.

B. By signing this Agreement, the contracting parties affirm, for the duration of the Agreement, that they will not violate federal immigration law or knowingly employ, hire for employment, or continue to employ an unauthorized alien within the State of Alabama. A contracting party found to be in violation of this provision shall be deemed in breach of the Agreement and shall be responsible for all damages resulting therefrom.

C. In the event of any dispute between the parties, senior officials of both parties shall meet and engage in a good faith attempt to resolve the dispute. Should that effort fail, and the dispute involves the payment of money, the sole remedy is the filing of a claim with the Board of Adjustment of the State of Alabama. For any and all other disputes arising under the terms of this Agreement which are not resolved by negotiation, the parties agree to utilize appropriate forms of non-binding alternative dispute resolution including, but not limited to, mediation. Such dispute resolution shall occur in Montgomery, Alabama, utilizing, where appropriate, mediators selected from the roster of mediators maintained by the Center for Dispute Resolution of the Alabama State Bar.

D. In order to comply with federal requirements relating to the administration of grants and other federal assistance funds, DOF provides the following information to ADVA: this award is provided to ADVA through a grant to the State of Alabama in the amount of \$2,120,279,417 from the U.S. Treasury via Section 602 of the Social Security Act (42 U.S.C. 301 et seq.), known as the American Rescue Plan Act, as created by Section 9901 of the ARPA, Pub. L. No. 117-2 (March 11, 2021) under Federal Award Identification Number SLFRP2635 Coronavirus State and Local Fiscal Recovery Fund for the period March 3, 2021 to December 31, 2024, CFDA number 21.027. This award is provided in accordance with the requirements set forth in the ARPA and other applicable federal and state law and policy, and ADVA affirms that all information it has provided to DOF relating to this subaward is true and accurate. This award does not include research and development. The parties acknowledge and understand that each subrecipient of FRF funds will be evaluated in accordance with 2 CFR 200.331-333 for risk of noncompliance with

federal statutes, regulations, and the terms and conditions of the award. Further, each recipient and subrecipient's activities will be monitored as necessary to ensure that the award is used for authorized purposes, in compliance with law, and that performance goals are achieved. Other monitoring tools may be implemented depending on the level of risk posed by the subrecipient.

E. Code of Federal Regulations, Title 2, § 200.332(f) requires DOF to verify that each subrecipient that is expected to expend \$750,000 or more in Federal awards during a fiscal year have a single or program-specific audit conducted for that year in accordance with the provisions of Code of Federal Regulations, Title 2, § 200.501. The parties acknowledge that DOF has provided notice to ADVA of the audit requirements applicable to the award made by this Agreement and ADVA agrees to notify additional subrecipients of these requirements and provide DOF with documentation to verify that any required audits have been completed.

F. The parties acknowledge and agree that any subrecipient, contractor, subcontractor, successor, transferee, and assignee shall comply with Title VI of the Civil Rights Act of 1964, which prohibits recipients of federal financial assistance from excluding from a program or activity, denying benefits of, or otherwise discriminating against a person on the basis of race, color, or national origin (42 U.S.C. § 2000d et seq.), as implemented by the Department of the Treasury's Title VI regulations, 31 CFR Part 22, which are herein incorporated by reference and made a part of this Agreement. Title VI also includes protection to persons with "Limited English Proficiency" in any program or activity receiving federal financial assistance, 42 U.S.C. § 2000d et seq., as implemented by the Department of the Treasury's Title VI regulations, 31 CFR Part 22, and herein incorporated by reference and made a part of this Agreement.

G. Any publications produced with funds from this award must display the following language: "This project [is being] [was] supported, in whole or in part, by federal award number SLFRP2635 awarded to the State of Alabama by the U.S. Department of the Treasury."

V. AMENDMENTS

This Agreement may only be amended by a writing signed by each party of representatives of each party.

[SEE FOLLOWING PAGE FOR SIGNATURES]

In witness whereof, the parties hereto have caused this agreement to be executed by those officers, officials, and persons thereunto duly authorized.

State of Alabama
Department of Finance



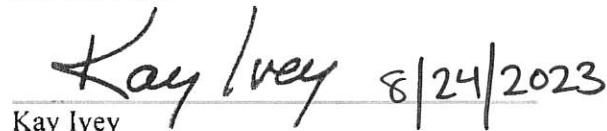
Bill Poole
Finance Director

State of Alabama
Alabama Department of Veterans Affairs



Kent Davis
Commissioner

APPROVED:



Kay Ivey
Governor of Alabama

APPENDIX A

November 16, 2022 Agreement

MEMORANDUM OF AGREEMENT
BETWEEN
THE STATE OF ALABAMA DEPARTMENT OF FINANCE
AND
THE ALABAMA DEPARTMENT OF VETERANS AFFAIRS
FOR THE DISTRIBUTION OF CORONAVIRUS STATE FISCAL RECOVERY
FUNDS

This Memorandum of Agreement (the "Agreement") is made by and between the State of Alabama Department of Finance, at 600 Dexter Avenue, Montgomery, Alabama 36130 (hereinafter referred to as "DOF"), and the State of Alabama Department of Veterans Affairs (hereinafter referred to as "ADVA"). DOF and ADVA may be referred to herein individually as a "party" and collectively as the "parties." This Agreement becomes effective on the approval of the parties and the Governor of the State of Alabama.

I. PURPOSE

The federal American Rescue Plan Act of 2021, Public Law No. 117-2, 135 Stat. 4. ("ARPA") was signed into law on March 11, 2021. The Act amended the federal Social Security Act to add Section 602 to the Social Security Act, and by doing so, created the Coronavirus State Fiscal Recovery Fund (hereinafter referred to as "the State Recovery Fund"). The Act appropriated funds from the State Recovery Fund to the State of Alabama and other states to support their response to the impact of COVID-19 on their communities, residents, and businesses; and to aid in efforts to contain COVID-19. Under Section 602 of the Social Security Act, the State Recovery Fund funds may be used to cover costs obligated on or before December 31, 2024 and incurred by the State on or before December 31, 2026, for four broad purposes:

- A. To respond to the COVID-19 public health emergency or its negative economic impacts, including assistance to households, small businesses, and nonprofits; or for aid to impacted industries;
- B. To respond to workers performing essential work during the COVID-19 public health emergency, by providing premium pay to eligible workers who are performing essential work, or by providing grants to eligible employers that have eligible workers who perform essential work;
- C. For the provision of government services to the extent of the reduction in revenue of the State due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year prior to the emergency; and
- D. To make necessary investments in water, sewer, or broadband infrastructure.

The Secretary of the Treasury promulgated initial regulations for purposes of implementing the State Recovery Fund, published in the May 17, 2021, Federal Register, at 86 Fed. Reg. 26786 (the "Interim Final Rule"). The Interim Final Rule clarifies that the State Recovery Fund is intended to build upon and expand the support provided to states and other governments over the last year, including through the Coronavirus Relief Fund ("CRF"). The Interim Final Rule further provides a non-exclusive list of examples of costs that qualify for payment from the State Recovery Fund funds under one of the four broad categories specified in Section 602 of the Social Security Act, as specified above. In response to public comments to the Interim Final Rule, the Secretary of the Treasury promulgated final regulations in the January 27, 2022, Federal Register, at 87 Fed. Reg. 4338 (the "Final Rule"), which took effect on April 1, 2022. For purposes of this Agreement, funds provided by DOF to ADVA must be used consistent with the requirements of the Final Rule.

The State of Alabama was allocated \$2,120,279,417 from the federal State Recovery Fund. Section 2 of Alabama Act No. 2022-1 (the "Act") appropriates up to \$36,796,346 of such funds to DOF to be used to support the delivery of health care and related services to citizens of Alabama related to the coronavirus pandemic, including through assisted living facilities hereinafter referred to as the "Funds"). The Act further provides that the Funds may be delegated through memoranda of agreement with the Alabama Department of Public Health, the Alabama Department of Mental Health, Alabama Department of Rehabilitation Services, or any other state entity of competent jurisdiction, health care association or health care provider.

ADVA owns four state veterans' homes in the State. Typically, residents of these homes enjoy numerous activities both at the facility and elsewhere. They also enjoy interacting with other residents, volunteers, and family and friends. However, it was necessary during the recent pandemic to severely restrict their activities and interactions. Residents went months without being able to hold a loved one's hand or enjoy a family meal. This has had a lasting impact on their mental wellbeing. Mental health services are routinely provided to residents and ADVA has taken appropriate steps to continue to address any and all needs of the residents. However, the demand for skilled providers is higher than the marketplace was prepared for resulting in higher costs and the need for creative solutions. DOF desires to allocate up to \$5,000,000 from the Funds to ADVA to be utilized for reimbursement of actual costs incurred and projected costs incurred for the provision of mental health care at its four state veterans' homes. The Funds may not be used for capital expenses, construction, or construction-related expenditures. DOF has concluded that such funding is necessary to continue to respond to and mitigate the COVID-19 pandemic and public health emergency in Alabama and the economic impacts thereof. Further, DOF concludes that funding ADVA for the purposes described herein is an eligible and appropriate use of the Funds under both federal and state law. DOF fully supports ADVA in its effort to support and protect the veterans of Alabama.

II. PARTIES' RESPONSIBILITY

A. ADVA agrees to the following:

1. To utilize the Funds provided under this Agreement to reimburse costs incurred and projected costs to be incurred as a result of the COVID-19 pandemic, exclusive of capital expenses and construction costs, at its four veterans homes;
2. To use the Funds in accordance with Section 602 of the Social Security Act, the Final Rule and other applicable federal and state law, and for the purposes set forth in this Agreement, and for no other purpose; and
3. To provide to the State Finance Director's Office by November 15, 2022, and monthly thereafter on the 15th of every month, a report detailing how the Funds are being utilized and a report of expenditures made since the preceding report, and to further provide interim reports as the State Finance Director's Office may determine necessary;
4. To return any Funds provided by DOF under this Agreement that remain unobligated on December 1, 2024 to DOF by December 15, 2024, and to return any Funds provided under this Agreement that remain unspent as of December 1, 2026 to DOF by December 15, 2026.

B. DOF agrees to the following:

1. To provide, within fourteen (14) days of the effective date of this Agreement, \$5,000,000 to ADVA from the States Funds appropriated pursuant to Alabama Act 2022-1 for the ADVA programs described herein and for no other purpose; and
2. To make all reports to the federal government required by ARPA.

III. TERMINATION OF AGREEMENT

Except as set forth in this section, this Agreement may be terminated only in a writing signed by each party or representative of each party. If DOF concludes, after a reasonable investigation and in its sole discretion as administrator of the Funds, that the Funds provided hereunder have been used in a manner inconsistent with federal or state law, DOF may terminate this Agreement immediately upon written notice to ADVA.

IV. MISCELLANEOUS PROVISIONS

A. The terms and commitments contained herein shall not constitute a debt of the State of Alabama, which is prohibited by Section 213 of the Official Recompilation of the Constitution of Alabama, 1901, as amended by Amendment No. 26.

B. By signing this Agreement, the parties affirm, for the duration of the Agreement, that they will not violate federal immigration law or knowingly employ, hire for employment, or continue to employ an unauthorized alien within the state of Alabama. A party found to be in violation of this provision shall be deemed in breach of the Agreement and shall be responsible for all damages resulting therefrom.

C. In the event of any dispute between the parties, senior officials of both parties shall meet and engage in a good faith attempt to resolve the dispute. Should that effort fail, and the dispute involves the payment of money, the sole remedy is the filing of a claim with the Board of Adjustment of the State of Alabama. For any and all other disputes arising under the terms of this Agreement which are not resolved by negotiation, the parties agree to utilize appropriate forms of non-binding alternative dispute resolution including, but not limited to, mediation. Such dispute resolution shall occur in Montgomery, Alabama, utilizing, where appropriate, mediators selected from the roster of mediators maintained by the Center for Dispute Resolution of the Alabama State Bar.

D. In order to comply with federal notice requirements relating to the administration of grants and other federal assistance funds, DOF provides the following information to the ADVA: this award is provided to ADVA through a grant to the State of Alabama in the amount of \$2,120,279,417 from the United States Treasury via Section 602 of the Social Security Act, as added by Public Law No. 117-2, known as the American Rescue Plan Act of 2021 ("ARPA"), which established the Coronavirus State Fiscal Recovery Fund. This award is provided in accordance with the requirements set forth in ARPA and other applicable federal and state law and policy, and ADVA affirms that all information it has provided to DOF relating to this award is true and accurate. This award does not include research and development. The parties acknowledge and understand that each recipient of the Funds will be evaluated in accordance with Code of Federal Regulations, Title 2, § 200.331-333 for risk of noncompliance with federal statutes, regulations, and the terms and conditions of the award. Further, each recipient's activities will be monitored as necessary to ensure that the award is used for authorized purposes, in compliance with law, and that award performance goals are achieved. Other monitoring tools may be implemented on the level of risk imposed by the recipient.

E. Code of Federal Regulations, Title 2, § 200.332(f) requires DOF to verify that each recipient that is expected to expend \$750,000 or more in Federal awards during a fiscal year have a single or program-specific audit conducted for that year in accordance with the provisions of Code of Federal Regulations, Title 2, § 200.501. In addition, any non-federal entity (as defined in the Code of Federal Regulations) that receives Funds from ADVA are subject to the Single Audit Act. The parties acknowledge that DOF has provided notice to ADVA of the audit requirements applicable to the award made by this Agreement and ADVA agrees to comply therewith and to notify subrecipients of said requirements.

F. The sub-grantee, contractor, subcontractor, successor, transferee, and assignee shall comply with Title VI of the Civil Rights Act of 1964, which prohibits recipients of federal financial assistance from excluding from a program or activity, denying benefits of, or

otherwise discriminating against a person on the basis of race, color, or national origin (42 U.S.C. § 2000d et seq.), as implemented by the Department of the Treasury's Title VI regulations, 31 CFR Part 22, which are herein incorporated by reference and made a part of this Agreement. Title VI also includes protection to persons with "Limited English Proficiency" in any program or activity receiving federal financial assistance, 42 U.S.C. § 2000d et seq., as implemented by the Department of the Treasury's Title VI regulations, 31 CFR Part 22, and herein incorporated by reference and made a part of this Agreement.

V. AMENDMENTS

This Agreement may only be amended by a writing signed by each party of representatives of each party.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by those officers, officials duly authorized to execute such agreements on fifth (5th) day of October, 2022.

**State of Alabama
Department of Finance**

Bill Poole 11/17/2022
Bill Poole Date
Director of Finance

**Alabama Department of
Veterans Affairs**

Kent Davis
Kent Davis
Commissioner

APPROVED:

Kay Ivey 11/16/2022
Kay Ivey
Governor of Alabama

APPENDIX B

Community Mental Health

The Alabama Department of Veterans Affairs (ADVA), as approved by the State Board of Veterans Affairs (SBVA), intends to create a grant opportunity utilizing the funds allocated pursuant to this agreement. The purpose of the grant opportunity is to improve outcomes for Alabama veterans and their families by supporting mental health programs and services for those populations. Eligible recipients will provide programs and services that improve the social, emotional, and/or psychological well-being of veterans and/or their families offered by nonprofit organizations, either federally recognized or recognized by the State, and Alabama institutions of higher learning. Special consideration is to be provided to small organizations and to programs and services targeting underserved populations. While the amount of each award is flexible, no single award will exceed \$500,000.

ADVA will form a review committee which will include subject matter experts in mental health, grants, and veterans. The committee will adopt a slate of recipients for consideration by the SBVA Grant Committee who will, in turn, make a recommendation to the full board. The SBVA will make the final determination of recipients.

The Alabama Department of Mental Health has agreed to assist ADVA in this effort to include administration of the grants.