MEMORANDUM OF AGREEMENT
BETWEEN
THE STATE OF ALABAMA DEPARTMENT OF FINANCE
AND
THE ALABAMA DEPARTMENT OF LABOR
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 (hereinafter referred to as "DOF"), and the Alabama Department of Labor at 649 Monroe Street, Montgomery, Alabama 36131 ("DOL"). DOF and DOL 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 "FRF"). The Act 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(d) of Alabama Act No. 2023-1 ("the Act") appropriates up to $5,000,000

of such funds to DOF to be used to reimburse DOL for the expense of conducting hearings, to include the costs of preparing for the hearings, related to the receipt and use of coronavirus related benefits (the "Funds"). By way of this Agreement, DOF is allocating $5,000,000 of the Funds to DOL to reimburse said allowable expenses already incurred or which may occur during the time periods referenced below.

II. PARTIES' RESPONSIBILITIES

A. DOL 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 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 procurement laws;

3. To provide to the State Finance Director's Office by September 10, 2023, and monthly thereafter on the 10th of every month, a 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 10, 2023 (and quarterly thereafter) 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 received; 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 $5,000,000 to DOL from the State's FRF funds as described herein; 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 DOL for any reason with sixty days' written notice to DOF. DOL acknowledges that all Funds provided under this Agreement must be obligated by June 1, 2024 or returned to DOF by June 30, 2024 and spent by June 1, 2026 or returned to DOF by December 1, 2026. If DOL 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 DOL.

IV. MISCELLANEOUS PROVISIONS

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

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 DOL: this award is provided to DOL 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 DOL 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 Code of Federal Regulations 200-331(b) 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 DOL of the audit requirements applicable to the award made by this Agreement and DOL 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

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Bill Poole
Finance Director

State of Alabama
Department of Labor

Fitzgerald Washington
Digitally signed by Fitzgerald Washington
Date: 2023.08.23 15:16:08 -05'00'

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Fitzgerald Washington
Secretary

APPROVED:

_____
Kay Ivey
Governor of Alabama