

OFFICE OF THE GOVERNOR

KAY IVEY
GOVERNOR



STATE CAPITOL
MONTGOMERY, ALABAMA 36130

(334) 242-7100
FAX: (334) 242-3282

STATE OF ALABAMA

October 18, 2024

Via email: kent.davis@va.alabama.gov
W. Kent Davis, Commissioner
Alabama Department of Veterans Affairs
RSA Union Building, Suite 850
100 North Union Street
Montgomery, AL 36102-1509

Dear Admiral Davis:

I am writing to inform you that I will be calling a special meeting of the State Board of Veterans Affairs to consider your immediate removal as Commissioner for the Department.

Alabama law currently provides that the Commissioner of Veterans Affairs is "subject to removal by the board for cause." I will be asking the Board to remove you for each of the following causes:

- 1. General lack of cooperation.** You and your agency have failed, or appear to have failed, to cooperate with other state executive-branch agencies, state legislators, members of our State's congressional delegation, and my office. This general lack of cooperation violates your duty under Section 31-5-7(b)(8) to "cooperate" with other government entities to secure additional services or benefits for Alabama veterans and their families; your duty under Section 31-5-7(b)(2) to "[c]ooperate with all other heads of the state departments" in furnishing services to veterans and their families; and/or your duty under Executive Order No. 726 to consult with my office before making certain important decisions. See Attachment A.
- 2. Mishandling of ARPA grant program.** You and your agency mishandled the administration of a federal ARPA grant program by failing to properly consult with other state agencies and by submitting, on a delayed basis, proposed grants that contained problems as set forth in my letter to you dated September 6, 2024 (and as acknowledged by your agency). As previously explained, these actions jeopardized the State's ability to fulfill its ARPA obligations and further confirmed your failure to cooperate with other state executive-branch agencies. See Attachment A; Attachment B at pg. 6.
- 3. Filing of frivolous ethics complaint.** You filed an ethics complaint against a fellow department head and other state officials, which the Executive Director of the Ethics Commission dismissed as "fail[ing] to satisfy the requirements for [his] consideration." You also disseminated this frivolous ethics complaint to multiple people resulting in widespread reporting of its content. These actions constitute a weaponization of the ethics

complaint process and a willful disregard for the professional conduct expected from someone in your position, further confirming your failure to cooperate with other state executive-branch agencies. The United States Supreme Court, moreover, has indicated that such speech is not protected by the First Amendment. *See, e.g., Lane v. Franks*, 573 U.S. 228, 242 (2014); see also Attachment C.

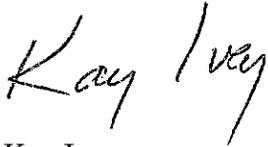
4. **Breach of agreement.** We reached an agreement on or around September 10, 2024, under which you were allowed to resign effective at the end of this year in exchange, at least in part, for your commitment to publicly and privately explain that all then-outstanding issues concerning the ARPA grant program had been resolved to the mutual benefit of all parties. You broke this promise, as evidenced (at a minimum) by your failure to say as much during an October 9, 2024 meeting of the State Board of Veterans Affairs' subcommittee on Veterans Benefits and Services. You further broke this promise by your failure to clearly put these matters behind us during the October 10, 2024 regular meeting of the Board. These breaches of our agreement led to needless conflict between the State Board of Veterans Affairs and my office and further eroded trust.
5. **Manipulation of the Board.** Yesterday, the Vice Chairman of the State Board of Veterans Affairs publicly stated that you "orchestrated the outcome of [certain SBVA votes clearing your name] by placing extreme pressure on some [Board members] to do and say things that went against [their] beliefs and the very principles on which [the SBVA] should stand." Even the appearance that you were manipulating the Board in service of your personal interests underscores your inability to effectively fulfill your duties. See Attachment D.
6. **Failure to comply.** Immediately following the October 10, 2024 meeting of the SBVA, I wrote you a letter in which I directed you to "immediately reaffirm, in writing" your commitment to resign effective December 31, 2024, as you previously had committed to doing. As of this date, you have failed to comply with my instruction. See Attachment E.
7. **General loss of trust and confidence.** You have lost the general trust and confidence of the Board Vice Chair and numerous leaders in the Legislature. In addition, you have lost my trust and confidence.

The special-called meeting of the State Board will occur at 2:00 p.m. on Tuesday, October 22, 2024, in the Old Archives Room of the State Capitol here in Montgomery. If you care to respond to the concerns I have expressed in this letter, please do so in the form of a written submission to the Board provided to each of us no later than 5:00 p.m. on Monday, October 21, 2024.

Adm. Kent Davis
October 18, 2024
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As I've said before, I regret that your service must come to an end in this manner. But I still believe that the best is yet to come for Alabama veterans.

Sincerely,

A handwritten signature in black ink that reads "Kay Ivey". The signature is written in a cursive style with a large, sweeping "K" and "I".

Kay Ivey
Governor

Enclosures

INDEX OF ATTACHMENTS

<u>Attachment</u>	<u>Description</u>
A	Letter from Governor Kay Ivey to Veterans Affairs Commissioner Kent Davis dated September 6, 2024
B	Letter from Alabama Department of Veterans Affairs to Alabama Department of Finance dated May 2, 2024
C	Letter from Ethics Commission Executive Director Thomas B. Albritton to Mental Health Commissioner Kimberly Boswell dated August 26, 2024
D	Letter from State Board of Veterans Affairs Vice Chairman Scott Gedling to SBVA Board Members (sent October 16, 2024)
E	Letter from Governor Kay Ivey to Veterans Affairs Commissioner Kent Davis dated October 10, 2024

ATTACHMENT A

Letter from Governor Kay Ivey to Veterans Affairs
Commissioner Kent Davis dated September 6, 2024

OFFICE OF THE GOVERNOR

KAY IVEY
GOVERNOR



STATE CAPITOL
MONTGOMERY, ALABAMA 36130

(334) 242-7100
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STATE OF ALABAMA

September 6, 2024

Via email: kent.davis@va.alabama.gov

W. Kent Davis, Commissioner
Alabama Department of Veterans' Affairs
RSA Union Building, Suite 850
100 North Union Street
Montgomery, AL 36102-1509

Dear Admiral Davis:

I am writing to follow up on my letter to you dated yesterday, September 5, 2024, asking that you step down as State Service Commissioner for the Alabama Department of Veterans' Affairs. Because you have not chosen to resign voluntarily, I will be calling a special meeting of the State Board of Veterans' Affairs to consider your removal as Commissioner and the appointment of an Interim Commissioner for the Department.

As I wrote yesterday, ample cause exists for taking this action. State law requires the Commissioner to work with others in government to secure "additional services or benefits" for Alabama veterans. It also requires the Commissioner to "cooperate with all other heads of the state departments" in furnishing services to veterans. In addition, Executive Order No. 726 requires state executive-branch agencies to consult with my office before making important decisions that would significantly affect state-government operations or the State's public policy. Regrettably, your record falls short in each of these important areas.

Of all your important duties, cooperation with your fellow agency heads is perhaps most important because without interagency cooperation and collaboration, our state government simply cannot function. Cooperation and collaboration requires mutual trust. Yet over the years, my office has repeatedly perceived your actions to produce strife and conflict—with my office, with other state executive-branch agencies, with state legislators, and with members of our congressional delegation. This alone constitutes cause for your removal.

Against this backdrop, your agency's mishandling of \$7 million in ARPA grant funds stands out as particularly problematic. The Department received the bulk of this funding in November 2022 to provide mental health programs for Alabama veterans. Yet it was not until January of this year—just months before a June 1, 2024, deadline to obligate the funds—that grant applications were presented to the Board of Veterans' Affairs for consideration.

Even after grants were approved at such a late date, they raised one question after another from the Department of Finance and the Department of Mental Health (whose administrative support

Adm. Kent Davis
September 6, 2024
Page 2

you enlisted due to its expertise in administering ARPA grants). These questions included concerns about basic administrative issues such as the proper award amounts and payment structure. Most critically, they included numerous, substantial concerns that the proposed grants would not comply with U.S. Treasury rules and other policies restricting use of these monies—concerns that your department ultimately acknowledged were valid.

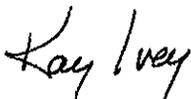
Attached is a letter from the Department of Mental Health terminating its agreement to assist your department in administering the ARPA grant funds. Also attached is a letter from the Department of Finance citing its numerous concerns over the handling of these grants. These documents paint a picture of unjustified delay on the part of your agency, failure to heed the advice of experts whose assistance you sought out, and a resulting general inability to manage the grant program. Over the course of the entire ARPA program, Alabama agencies administered some \$2.3 billion in grants. But to my knowledge, only your agency had problems of this magnitude.

These problems came with a high cost. As I wrote yesterday, they jeopardized the State's ARPA obligations and very nearly prevented veterans service providers from receiving needed funds. Moreover, your agency's administrative problems distracted senior officials at other state agencies from their important work, as we worked quickly to reallocate the ARPA grant funds and find an alternate funding source for the grants. In my view as Governor, the resulting damage to your working relationships has become irreparable.

The special-called meeting of the State Board will occur at 2:30 p.m. on September 10, 2024, in the board's conference room here in Montgomery. If you care to respond to the concerns I have expressed in this letter, please do so in the form of a written submission to the board provided to each of us no later than 5:00 p.m. on Monday, September 9, 2024. The special-called meeting will consist only of board votes on your removal and on the appointment of an Interim Commissioner. No public hearing will be held on either question.

Again, I regret that your service must come to an end in this manner.

Sincerely,



Kay Ivey
Governor

Enclosures



STATE OF ALABAMA
DEPARTMENT OF MENTAL HEALTH

RSA UNION BUILDING
100 NORTH UNION STREET
POST OFFICE BOX 301410
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Kay Ivey
Governor

Kimberly G. Boswell
Commissioner

April 2, 2024

Commissioner Kent Davis
Alabama Department of Veterans Affairs
100 North Union Street
Montgomery, AL 36104

Dear Commissioner Davis,

This letter serves as notice of intent to terminate the Interagency Agreement between the Alabama Department of Mental Health (ADMH) and the Alabama Department of Veterans Affairs (ADVA) for the administration of \$7 million in ARPA funds. After much discussion with your staff, we have been unable to agree on several contracting issues. I have outlined below the reasons for the decision.

As you know, ADVA requested that ADMH serve as the fiscal agent for the ARPA funds by writing contracts, processing invoices and payments, and managing program monitoring/accountability through quarterly reports. ADVA was responsible for developing and writing an RFP for grants and making decisions regarding who is selected to receive the funds and how much funding is allocated to each applicant.

After many conversations and a recent zoom call with grant recipients, there are serious concerns about the administration of these grants:

- We raised concerns about a grant recipient who requested funding for lobbying and explain that all our contracts contain language that prohibits the use of state and federal funds for lobbying. This is state and federal law. We did not receive a firm commitment to require the grantee to remove this item from their request. Of note, this same entity is a member of the ADVA Board.
- In the recent Zoom call with grantees, it was suggested that the contract amount could be the amount proposed in the application rather than the amount approved by ADVA. This is not true and would create a financial obligation for ADMH if we wrote contracts above the approved amount.
- There has been a lot of discussion about lump sum payments versus cost reimbursement. While this is an acceptable practice, our experience has taught us lump sum payments make accountability very difficult.



These concerns put ADMH at risk of potential audit findings and other negative consequences. Given the current ADVA position on these matters, this is our sixty-day notice to terminate the agreement. We will return the \$7 million in ARPA funds in full.

It is our understanding you have been working with the Department of Finance regarding the contracting process, sample templated, and other assistance that will allow you to expedite the contracts to meet the June 1, 2024, deadline.

While this sounded like a great opportunity to work together, I am sure you understand the need for ADMH to decline to assume the potential liability.

Sincerely,



Kim Boswell
Commissioner

cc: Nicole Walden
Tommy Klinner
Leola Rogers



Kay Ivey
Governor

Bill Poole
Finance Director

STATE OF ALABAMA
Department of Finance
Legal Division

600 Dexter Avenue, Suite E-313
Montgomery, AL 36104
Telephone: (334) 242-4220
www.finance.alabama.gov



Taylor Nichols
General Counsel

April 12, 2024

Ms. Beverly Gebhardt
General Counsel
Department of Veteran's Affairs

Ms. Gebhardt:

On November 16, 2022, the Department of Finance (DOF), in accordance with Alabama Act No. 2022-1, provided the Alabama Department of Veteran's Affairs (ADVA) with \$5,000,000 in American Rescue Plan Act (ARPA) funds to be used for the reimbursement of mental health care costs at Alabama's state veteran homes.

On August 24, 2023, the DOF, in accordance with Alabama Act No. 2023-1, provided ADVA with an additional \$2,000,000 in ARPA funds to be used to support mental health programs and services. At the time of this second agreement, the ADVA had not obligated or expended any of the funds distributed pursuant to the first agreement. In addition, the terms of the second agreement supersede the terms of the first agreement, and the second agreement presently remains in effect. The second agreement states that the ADVA will comply with all U.S. Treasury guidance for the use of ARPA funds and permits administration of the funds through a subsequent agreement between the ADVA and the Alabama Department of Mental Health (ADMH). ADVA subsequently entered into an agreement with ADMH to administer the grant of ARPA funds.

Although the disbursement of the ARPA funds is not subject to the procedures of Alabama procurement law, ADVA and ADMH released a Request for Proposals (RFP), apparently mirroring procurement procedures required by the state's procurement law, to solicit proposals for projects to be funded with the funds. Proposals were submitted to ADVA by December 1, 2023. DOF advised against the use of the RFP process due to the requirement that the funds be obligated by June 1, 2024, as set forth in the agreement between DOF and ADVA. DOF further advised that if an RFP process was utilized, ADVA should use some form of an abbreviated process to enable a timely disbursement and obligation of funds.

On January 10, 2024, a selection committee composed of ADVA and ADMH representatives met to choose awardees to receive ARPA funds. After reaching a decision to fully fund the fifteen top-ranked proposals, ADVA and ADMH representatives discussed the intent of ADVA

for the use of the grant funds. As a result, the award decision was expanded to include the top thirty-three ranked proposals, with thirty-two proposals receiving half of the requested funding and the remainder of the funds going to the thirty-third proposal.

On January 11, 2024, the State Board of Veterans Affairs (SBVA) met and voted to approve the selection committee's thirty-three selected proposals. The vote took place in a bloc manner and did not allow for decisions on whether individual proposals (or parts thereof) would be funded. During the SBVA meeting, there was discussion of the selection committee's decision the previous day. It is unknown to DOF which members of the SBVA took part in the discussion with the selection committee the previous day or what was discussed that resulted in the pool of awardees being expanded from fifteen to thirty-three.

In addition, it is unknown to DOF whether any of the SBVA members who recused themselves from voting at the SBVA meeting were a part of the ADVA group that took part in the selection committee discussion the previous day that changed the committee's recommendation to thirty-three awards. Following the January 11, 2024, SBVA meeting, SBVA sent notices to each entity that submitted a proposal informing the entity of whether they were selected for funding and the amount of funding (if selected).

On March 12, 2024, the ADVA inquired with the DOF on whether ARPA funds could be distributed in a lump sum once contracts were completed with the awardees. While funds can be distributed in a lump sum, the inquiry raised concerns at the DOF due to the requirement in the agreement between the DOF and the ADVA that the ARPA funds be obligated no later than June 1, 2024. The DOF began requesting status updates from the ADVA on the progress of the agreements between ADVA/ADMH and the grant recipients and the DOF offered to draft a template agreement.

On April 2, 2024, the DOF was informed that the ADMH was terminating their agreement with ADVA and would no longer administer the ARPA programs. In the ADMH termination notice to ADVA, there are a number of concerns cited by the ADMH regarding the grant selection process. These concerns include concerns regarding one approved proposal including lobbying expenses (which the DOF previously advised the ADVA was an impermissible expense) and that communications took place with awardees stating that funding amounts could be different than what was approved by SBVA and listed in the notification of funding provided to the awardees.

On April 4, 2024, the DOF requested that the ADVA provide all of the proposals selected for ARPA funding. After a thorough review of the proposals, the DOF has significant concerns regarding many of the proposals selected for award by SBVA. The DOF's concerns with the proposals are found throughout the majority of the thirty-three awarded programs and include:

- 1) Proposals, and portions of programs, that are ineligible for ARPA funding pursuant to U.S. Treasury rules and regulations and/or state law or policy governing the use of said funds;
- 2) Proposals, and portions of programs, having no nexus to mental health services/programs;

- 3) Proposals lacking adequate data to ensure sustainability of the funded programs (e.g. creating new programs or funding part-time or undeveloped/immature programs) beyond the period for which ARPA funding can be utilized;
- 4) Proposals lacking adequate data to determine whether eligible portions of the proposed programs can be carried out if the ineligible portions are not funded;
- 5) Proposals lacking adequate data to determine whether the proposed programs can be carried out with partial funding; and
- 6) Proposals with an excessive use of ARPA funding for administrative costs.

A detailed account of the DOF's concerns with each of the proposals approved by the SBVA is attached.

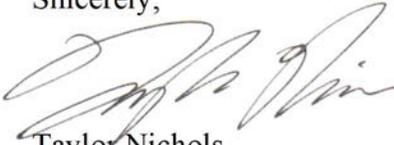
The DOF fully intends to ensure the entirety of the ARPA funding provided to the ADVA goes to the care of Alabama's veterans. However, in accordance with paragraph II.A.4. of the agreement between the DOF and the ADVA, no later than May 3, 2024, the DOF is requesting that ADVA provide the DOF with the following information in order to ensure the legal and appropriate expenditure of the funds:

- 1) A list of the members of the source selection team made up of ADMH and ADVA members that recommended the approval of the fifteen top ranked, and later the thirty-three top ranked, proposals, to include all individuals present;
- 2) A statement detailing any conversation(s) that took place between ADVA members of the source selection team that led the source selection team to change their recommendation to that of funding thirty-three proposals;
- 3) A statement detailing ADVA's response to the concerns raised by ADMH in their April 2, 2024 agreement termination notice concerning the funding of lobbying expenses and the possible change in approved funding amounts;
- 4) A statement summarizing all communications in any form that occurred between ADVA, and/or the SBVA, to recommended awardees concerning the selection of proposals or approval of funding;
- 5) An itemized statement detailing for each proposal recommended for approval of what specific proposed expenditures in the proposal is approved for funding, as well as an explanation of the provision of the ARPA Final Rule, or other Treasury Guidance, that authorizes each expenditure to be funded; and
- 6) A statement detailing what communications, if any, have been made with awardees to ensure that the proposed programs can be carried out at the proposed funding

amounts and/or without funding for any unauthorized expenditures contained in the proposals.

The requested information is required to ensure the funds provide for the care of Alabama's veterans. Considering the short timeframe with which DOF has to ensure these funds are obligated as required by ARPA, you must provide the requested information and/or alleviate the concerns of the DOF no later than May 3, 2024. Failure to do so may lead the DOF to take appropriate remedial action, including termination of the agreement between the DOF and the ADVA in accordance with paragraph III of the agreement and/or making alternate arrangements for the use of the funds.

Sincerely,

A handwritten signature in black ink, appearing to read "Taylor Nichols", written in a cursive style.

Taylor Nichols
General Counsel

VA ARPA2 Proposal Review Notes

Awardee (In Rank Order)	Concerns
1. Council on Substance Abuse (250,000)	<ul style="list-style-type: none"> • Current mission involves multiple areas of veteran engagement • Concern program appears to be less towards providing mental health supports and instead is to provide referral and access services via already existing programs. • Considering focus, the staffing is excessive. • Marketing and advertising budget seems excessive; however, significant component of program funding is for information dissemination (kiosks, community partner outreach) • 7% admin (based on % of included salary costs)
2. Warhawgs (114,120)	<ul style="list-style-type: none"> • WarHawgs attempts to improve veterans and service member's psychological well-being through outdoor activities such as hunting, fishing, shooting, etc. Established in 2016 in Dothan. • Funds will be used specifically for the organization's adaptive outdoor recreation efforts. • 3 FTE, 2 PTE, and 12 volunteers • Budget concerns: Can we buy ammunition with ARPA funds? \$10,320 for travel • Overall concerns: Weak to nonexistent nexus to veterans' mental health.
3. Alabama Head Injury Foundation (113,753)	<ul style="list-style-type: none"> - Appears to be expanding current offerings with increased focus on teaching out veterans population - Employee costs allocations do not raise same level of concerns as this is an existing program and, when the funding expires, it is likely that employees can shift original program (staff attrition) - With reduced award amount, need to see employee costs lowered especially as compared to professional therapy service costs. Note: proposal states that staff also fill therapeutic roles. <p>Generally, seems like a good program and will be able to offer valuable services to veterans. Travel to group meetings costs (looks like mileage) and handouts are not excessive</p>

<p>4. Alabama Veterans (f/b/o Dovetail Landing) (250,000)</p>	<ul style="list-style-type: none"> - Total Revenue 22-23: \$352K w/ expenditures of \$233K (cash in/out) <ul style="list-style-type: none"> o Admin expenses 30%, fundraising 29% (higher due to new initiatives) o 0 employees (all volunteer) <ul style="list-style-type: none"> ▪ Will hire 1-4 once Dovetail is operational ▪ Dovetail has \$640K in assets - Dovetail Landing – no-cost reverse boot camp for transitioning veterans <ul style="list-style-type: none"> o Physical/mental health is one aspect of program o Also offered to active personnel planning transition o Plan is for construction of full campus o CONCERN: New program/facility currently under construction <ul style="list-style-type: none"> ▪ No data on prior operations/capabilities - Proposal lists start-up costs for mental health therapy programs such as: <ul style="list-style-type: none"> o Equine Therapy (horses, care/vet, hay/feed, trainer, saddles/equipment, accreditation) o Scuba (gear, trainer, certification) o Kayaking (kayaks, jackets, paddles) o Mountain Biking (trails, bikes, helmets, biking center) o Gardens (healing/kitchen garden, family garden) o Reflecting Pool o Community Center Counseling Floor (soundproofing, <i>therapist</i>) - NO Actual Provision of Mental Health Treatment <p>Appears to be start-up investment in long-term project with mental-health only one portion of funded program</p>
<p>5. Jacksonville State University (250,000)</p>	<ul style="list-style-type: none"> - Victory Center overseen by the Office of Institutional Research and Effectiveness <ul style="list-style-type: none"> o Counseling to veterans - New program, no prior date on success or sustainability - Funding includes additional compensation for existing employees? <ul style="list-style-type: none"> o Travel 12K - Partial funding would require JSU “to decide which parts of the model are more important than others, which will be a difficult proposition”

<p>6. Sojourn Counseling (222,207)</p>	<ul style="list-style-type: none"> - Existing 501(c)(3) non-profit organization with mission to make counseling and Microcurrent Neurofeedback (MCN) services accessible to everyone, regardless of their ability to pay; four full-time counselors plus five part-time staff - Not previously focused on veterans, so it appears this grant will allow them to expand into that arena - In operation since 2012 with 2023 budget of \$549k - Admin expenses at 85% (likely not being defined/calculated correctly, based on the budget chart provided) - Jefferson County, Cullman County, Autauga County, Walker County, and St. Clair County - Plans to offer \$298,900 in free MCN services and \$93,296 in free mental health counseling; expects to impact 75 Veterans each week. <ul style="list-style-type: none"> - Plan to buy and operate a van for \$229k, plus \$50k marketing (including a wrap for the van)
<p>7. Veterans Recovery Resources (250,000)</p>	<ul style="list-style-type: none"> - Intends to utilize funding to provide services for Veterans and families experiencing the plethora of mental health and substance use issues as direct results from the COVID pandemic and the ongoing Opioid Crisis through three crucial integrated aspects of long-term recovery: Outpatient Treatment, Detox & Residential Treatment, and Community Integration. - Well-established program since 2015 in Mobile. <p>Budget concerns:</p> <ul style="list-style-type: none"> \$76,49.91 (23%) in fringe benefits which is not allowable per DOF policy 10% admin costs \$12,000 in travel expenses
<p>8. Gadsden State Community College (250,000)</p>	<ul style="list-style-type: none"> - Veterans Upward Bound and Educational Opportunity Center <ul style="list-style-type: none"> o To “discover” mental health needs of veterans o Emotional Support for Alabama Veterans, lessen PTSD <ul style="list-style-type: none"> ▪ Free MH services to vets and families through therapy, group therapy and community referrals ▪ New program <ul style="list-style-type: none"> • No other funding determined, currently searching • If partial funding, budget revisions will be submitted

	<ul style="list-style-type: none"> o Budget includes Program Coordinator (55K), 5 Therapists (250K), salaries, supplies, training, veteran care fund (30K) <p>Sustainability w/out identified outside funding?</p>
9. Southern Alabama AHEC (250,000)	<ul style="list-style-type: none"> - Proposal focuses on suicide prevention with significant focus on weapon safety - Social media and traditional outreach campaigns, mental health community training, reduce access to lethal weapons (gun locks and family resources), suicide/mental health screenings, and outreach to communities and primary care providers - Allocation of personnel appears appropriate; however, all services are contracted out to AHEC, etc. - Proposed 10% admin - If AHEC can provide all these services, why not just fund them for statewide program?
10. Forging A Difference (248,518)	<ul style="list-style-type: none"> - Forging A Difference, Inc. proposes to utilize funding to use Blacksmithing to creatively address mental health issues among the veteran community. Funding will sustain the program for 2 years. - Existing, part-time program that they want to mature into a full-time program. - Baldwin and Mobile Counties. - Fees for participants. <p>Budget concerns: Roughly 35% of the budget is salaries, including fringe benefits Rent and Insurance account for roughly 10% of budget Positive note—only 5% dedicated to admin costs.</p> <p>Sustainability is of some concern. Also, not a conventional approach to mental health counseling and/or treatment, so pushes the boundaries of allowability.</p>
11. SpectraCare Health Systems (250,000)	<ul style="list-style-type: none"> - Entity in operation since 1968 in Barbour, Dale, Geneva, Henry, and Houston Counties; FKA Wiregrass Mental Health Board; 270 fulltime and 66 part-time employees; FY22 budget of \$22.4m - 19% admin costs across the organization - ADMH awarded \$234k in ARPA funds in FY22; 700 active duty/vets/families served under that program; have received an additional \$832k in ARPA funds for other projects - Operates one of the 6 behavioral health crisis centers in Alabama; \$7m appropriation <p>No concern over sustainability relative to other proposals</p>

	<ul style="list-style-type: none"> - Asking for \$500k to serve 400 veterans; will deliver mental health services to veterans and their family members through a mobile clinic (\$260k) designed to offer on-site clinical treatment in rural areas; includes training for clinicians; will employ two new FTEs - Services will be free for those without insurance, but insured will be billed through their plans
<p>12. Veteran Impact Services (240,731)</p>	<ul style="list-style-type: none"> - Operates in Alabama as Operation Combat Bikesaver - Not seeing a direct nexus to mental health <ul style="list-style-type: none"> o Hot Rod Therapy: motorcycles o Lima Charlie: veteran peer group (does not need specific funding) o Blaster: vehicle repair and replacement options for veterans o On Your Feet: financial assistance in crisis o Return to Wind Therapy: assistance to terminally ill veterans o JAM: musical therapeutics (instruments and sound equipment) o FAT: physical fitness and mental health o Get Lost: nature based programs for mental health
<p>13. Bondfire Ranch (44,500)</p>	<ul style="list-style-type: none"> - Total annual budget \$18K (\$107K with VA grant – funded at ½) - 44% admin expenses w/grant, hiring horse trainer/instructor <ul style="list-style-type: none"> o Programs free - 2 full time employees, 5 part time employees - In operation since May 2022 - Collaborating with SOS on integrating resiliency? - Program: Cowboy Boot Camp – new initiative, equine-based mental health <ul style="list-style-type: none"> o Primary objectives: equine safety, health and wellness, grooming, equine behavior, basic groundwork skills, importance of groundwork, leading with respect, lunging, moving away, farm/ranch management - Funds to construct 60 x 120 pole barn with power/water <ul style="list-style-type: none"> o Would the reduced funding impact their ability to build the barn, which enables the proposed programs? <p>Do not see other proposed allowable expenses in their budget other than those above</p>
<p>14. University of South Alabama (219,791)</p>	<ul style="list-style-type: none"> - \$453k in prior ARPA funding; requesting \$439k - Funding would go to USA's s Office of Veteran Affairs (OVA); operated for 30 years; currently has 3 staff plus 7 work-study students; specializes in veteran benefits

	<p>Funding would allow OVA to expand into mental health services; campus has MH services, but not specific to vets</p> <p>Includes two new FTEs including benefits, plus renovation of office space (\$42k)</p> <p>Limited to students, faculty, and staff on campus; estimated reach of 300</p>
<p>15. Faulkner University (250,000)</p>	<ul style="list-style-type: none"> - Faulkner intends to utilize funding to expand its existing Center for Therapy and Research for veterans and their families to receive mental health counseling services, in person and via telehealth. - Specifically, Faulkner intends to add an additional site to be known as The Faulkner Mental Health Center specifically for mental health services by expanding into what is currently a nail salon located immediately next door to the Center for Therapy and Research (the 2,400 sq. ft. addition will come available in early 2025). The funds from this grant would cover the cost of renovation, furnishing, personnel capital and operating expenses for the period of 1 year. <p>Budget concerns:</p> <ul style="list-style-type: none"> Renovations and furnishings account for \$223,100 of the request, or nearly one-half. \$176,900 is budgeted for salaries of an occupational therapist and psych/counselor. \$31,900 of this is for fringe benefits which DOF will not allow by policy. \$13,500 is budgeted for travel <ul style="list-style-type: none"> - No veterans program currently exists and it appears the grant funds will be used to create one in order to expand Faulkner’s existing therapy center as evidenced by the fact that ½ of the requested amount will be spent on renovating a space they intend to purchase/acquire in 2025. - Sustainability is a real concern.
<p>16. Family Counseling Center of Mobile (250,000)</p>	<p>Well established organization with significant annual budget and staffing</p> <p>Applicant Programs:</p> <p>Financial counseling – NOT ARPA or Act 2023-1 eligible</p> <p>211 referrals</p> <p>Direct Services</p> <p>10% proposed admin</p> <p>Personnel and operating expenses excessive and some not allowed (furniture)</p> <p>Susan: concerned that bulk of funding not going to services</p>

<p>17. Veterans 4 Veterans (248,803)</p>	<ul style="list-style-type: none"> - Proposal focused on suicide prevention - Organization does not provide mental health treatment <p>Proposed use of award:</p> <ul style="list-style-type: none"> - Public education - request \$240k for 20 3-day workshops for individuals likely to encounter family or community member in a suicidal crisis - Suicide intervention – request \$257k for suicide regiment search and rescue (vehicles, rental space, staff, S&R equipment) <p>Seems excessive for the geographic area covered and the service to be provided</p>
<p>18. Wings Across Alabama (111,000)</p>	<ul style="list-style-type: none"> - 1M FY24 receipts w/ 10& admin - Mental health organization w/ 2 full time & 12 part time employees - Operating for 8 years - New Program – Veterans Across America prioritizing women, BIPOC, children/adolescents, LGBTQ, rural, elderly <ul style="list-style-type: none"> ○ Web-based program for non-crisis peer support services for daily mental health challenges before they develop to crisis ○ Current program has 15 regular attendees, looking to scale up to 5K <p>Budget: 20K travel, fringe benefits 20K, direct/indirect?</p>
<p>19. Institute for Social Science Research at the University of Alabama (250,000)</p>	<ul style="list-style-type: none"> - Expansion of an existing academic program with clearly established goals and focus; clear timeline of implementation and expected outcomes - Existing program with established staff, designed for criminal justice-involved veterans with TBI; project funds would be used to employ a TBI screener and a TBI navigator - Frequently references “research” including data collections for TBI studies - TBI studies have clear nexus to mental health - Aims to reach 600 vets annually - Fringe benefits included, 31% for faculty, 35.7% for staff - Admin costs capped at 15%
<p>20. Auburn University (247,853)</p>	<ul style="list-style-type: none"> - Operation Grow for Beginning Veteran Farmers <ul style="list-style-type: none"> ○ To improve self-employment and improve mental health of veterans ○ Objectives: Training, Networking (involves mental health), Sustainable Support ○ Mental Health nexus as small part of program?

	<ul style="list-style-type: none"> - Pilot program in 2016, revised and relaunched (in 2022) <ul style="list-style-type: none"> o Is this a new program? No. Currently serves over 100 veterans in 49 AL counties <ul style="list-style-type: none"> ▪ But no accounting of existing mental health impact - Requesting salary and travel <p>Cannot find any specific mental health expenditures in proposed budget</p>
<p>21. Americas Heroes Enjoying Recreation Outdoors (AHERO) (250,000)</p>	<ul style="list-style-type: none"> - All-volunteer board w/ 2022 revenue of \$311K/expenses \$163K <ul style="list-style-type: none"> o Admin limited to 6% - Provides veterans rural communities together to socialize and learn how to improve wildlife habitat through conservation programs <ul style="list-style-type: none"> o Screen porch therapy concept (no cost) o Program operates through AL, Georgia and Florida panhandle - Funding will allow establishment of program but partial funding (what is being done) will “impact ability to fund long-term paid positions needed to advance outreach programs . . .” <ul style="list-style-type: none"> o Start-up and Sustainability concerns - Funding Proposal (all used on programs/facilities for rural veterans at risk of suicide – IS THIS THE FRONT PORCH PROGRAM?): <ul style="list-style-type: none"> o 200K – veteran support expenses (including travel, lodging, meal costs) o 115K – transition training program expenses (firefighting and burn management courses) o 5K – volunteer travel expenses o 75K – administrative position (new hire) o 5K – facilities maintenance o 50K – SFC Burnette Cabin renovation o 50K – Maj Gen Livingston Warrior Lodge renovation
<p>22. Mother Mary Mission (140,878)</p>	<ul style="list-style-type: none"> - Female Veteran Transitional Living Facility will provide Emergency Shelter, Homelessness Prevention, Rapid Rehousing services in Lee, Macon, and Russell Counties - Facility has been operating for 7 months; total residential capacity of 24 with 12 rooms - Plan to serve average of 72 residential clients in a year, and to serve approximately 50-100 additional non-residential clients with essential services and provide financial assistances and services through homelessness prevention and rapid rehousing

	<ul style="list-style-type: none"> - Have previously received two grants totaling \$70k, requested \$282k - Budget includes \$218k for salaries and \$22k for fringe benefits
<p>23. Drake State Community and Technical College (250,000)</p>	<p>Funding will be used <u>to establish</u> the Eagle’s Heroes Haven. The Provider will increase access to mental health support to low-income, and minority communities while tracking veteran participants; establish a comprehensive social-emotional support program for veterans in underserved communities, fostering mental well-being, resilience, and a sense of community; and deliver free, effective counseling services.</p> <p>Budgetary concerns:</p> <ul style="list-style-type: none"> \$60,000 for “emergencies” for veteran students experiencing hardships that may prevent successful completion of programs of study. Appears to be a loan/grant program for students facing financial hardships. Not allowable. \$45,000 for real property renovations and furniture. Not allowable. \$2,000 for office supplies. Not allowable. \$15,000 for marketing/PR is excessive. \$40,000 for speaker fees and honorariums is questionable. 10% admin allocation. <ul style="list-style-type: none"> - The letters of support included in the application package state that “space is being renovated on campus to create a new Veteran’s Center, with an anticipated opening date of late spring 2024.” Why would the budget include funds for renovations? - Because no veterans’ mental health program currently exists at this location, sustainability is a real concern with this application.
<p>24. Samsons Strength Sustainable Veterans Project (147,213)</p>	<ul style="list-style-type: none"> - Program focuses on veteran homelessness and unemployment; NOT mental health - Includes construction of housing and equine facilities - Eligibility concerns under ARPA and 2023-1
<p>25. Drug Education Council (250,000)</p>	<p>Bulk of funding to be applied to a veterans-specific abatement planning module to help model best practices</p> <ul style="list-style-type: none"> - PROVIDES NO DIRECT SERVICES - Personnel costs are excessive considering funding goes largely to model provider. If there are

	<p>- Eligibility concerns: Is this a research program that does not provide services to individuals</p>
<p>26. Chattahoochee Valley Community College (250,000)</p>	<p>- Has an existing Center of Excellence for Veteran Student Success (CEVSS) and will use ARPA funds to create the CEVSS Supporting Alabama Veterans Program. The Program will provide emotional, and mental health support programs and services to better serve Alabama veterans and military-connected students and their families residing in Alabama, who experience social, emotional, and mental health issues.</p> <p>- Anticipates service 230 military-connected students and their families at no cost to the students.</p> <p>- Funding will cover two and half years of the program during which time CVCC will “continue to monitor the need for additional human and financial resources to sustain the comprehensive functions of the” program.</p> <p>Concerns with budget:</p> <p>Hiring of a project admin assistant at approx. \$30,000 per year for years 1 and 2, and \$15,000 for year 3. Cost includes fringe benefits which DOF has consistently disallowed WRT ARPA funds.</p> <p>\$10,000 will be used to train the admin assistant to run the program—this is due to the fact that the program is being created with this funding and is not an existing or established program.</p> <p>More than 80% of the project budget is for contractual counseling, telehealth services, and awareness events.</p> <p>Overall, sustainability is highly questionable. Funding is to create a program, not to assist an existing program impacted by COVID.</p>
<p>27. Veterans Memorial Park Association (239,459)</p>	<p>Project proposes to 1) build an outdoor park, 2) recruit mental health professionals to use the park, 3) ???</p> <p>Park (233 acres in Etowah County) has been owned since 1947 but is undeveloped; established a 501(c)19 governing board in 2022</p> <p>Park board has never had ARPA funding or any other funding</p> <p>No employees and plans to do all admin work for this project on volunteer basis</p>

	<p>Almost all of the funds go to capital projects within the park; remaining costs are for equipment such as Gator 4x4 and chainsaws</p>
<p>28. Auburn Student Veterans Association (249,024)</p>	<p>ASVA’s annual budget in 2023 was \$98,300 and \$48,000 in 2022. Grant/ARPA funds to be used for operational expenses related to Operation Iron Ruck (OIR) which is designed to raise awareness and prevention of veteran suicide. COVID nexus is minimal at best, but not nonexistent.</p> <p>OIR total cost by year:</p> <p style="padding-left: 40px;">2023-\$10,561.20</p> <p style="padding-left: 40px;">2022-\$5,841.94</p> <p style="padding-left: 40px;">2021-\$4,698.10</p> <p>The largest donation in OIR’s history is \$5,000.</p> <p>Given the total costs over the last three years, and considering the largest donation in history is \$5,000, an award of nearly \$250,000 seems very excessive</p> <ul style="list-style-type: none"> - Specific budget items that are concerning: - \$65,000 for full-time coordinator – no current employees and with a 2023 budget of \$98,000, this full-time position is not sustainable as required by the Final Rule \$4,000 for TV Advertising Campaign, \$9,750 for Marketing Firm, and \$2,500 for digital advertising—all three not sustainable and not enough nexus to covid prevention, mitigation, and treatment \$15,000 for travel expenses—DOF has consistently treated payroll as a reimbursable expense, but not other employment-related benefits. Said benefits are hard to track and are high risk for fraud, waste, and abuse. I would classify travel expenses in this instance as ineligible. \$10,000 for custom vehicle wrapping—this is advertising in a different form. Not sustainable and no COVID nexus.
<p>29. Visualize Everyone That Serves (250,000)</p>	<ul style="list-style-type: none"> - “Our vision is to create gardens in suburban and urban communities with an emphasis on memorial gardens that honor veterans” - “VETS requests \$500,000 to build a greenhouse for youth agriculture training and mentor program delivered by veterans in the Africatown community in Mobile, AL” <p>Would produce fresh fruits and vegetables for 77 families, 40% of whom are veterans</p>

	<p>Five year-old organization, less than \$20k annual budget, no paid employees; have restored 8 homes and performed 2k hours of community service in underserved minority communities ADVA awarded \$250k</p>
<p>30. Krulak Marine Alliance of Alabama (14,375)</p>	<p>Krulak Marine Alliance of Alabama intends to utilize funding to support their ongoing efforts to prevent veteran suicide. These efforts include printed materials for distribution as well as online information sources. Additionally, Provider intends explore adding to their efforts with new informational and promotional products. Awarded \$14,375. Annual budget is \$30,000; have no employees Suicide prevention initiatives include digital and tangible promotional materials such as the 1) Spare a Life informational kit; 2) Vet Force Multiplier digital suicide prevention online portal; and the 3) Prevail suicide prevention card deck (which uses suggestive messaging on each playing card). Overall concerns: This program prints materials and distributes them, but there is no way to measure outcomes or successes. Budget concerns: \$3,500 requested for “New Product Development”</p> <p>Proposal states that they will exclude admin and travel costs and will not use ARPA funding for these purposes.</p>
<p>31. Alabama Council of Chapters – Military Officers Association of America (250,000)</p>	<p>\$150,000 for “advocacy” which seems to be thinly disguised lobbying No direct services Community Outreach Grant Program: Plans to split up \$130,000 among 13 different suborganizations for a wide variety of direct services including “housing, food assistance, employment, health (including behavioral health), family support, community reintegration, financial assistance, legal assistance, transportation, and crisis relief.” Would reach approximately 200 veterans. Outreach, Peer Support and Transportation: Plans to split up \$170,000 among various Veterans Service Organizations which would provide direct services to approx. 1500 veterans. Would spend \$50,000 on grant admin/compliance, or 10% of total grant</p>

	<p>On p. 10, the budget appears to be for “Vets Recover” which is another VA ARPA grant applicant; it appears that Vets Recover and this application are supported by the same individual</p>
<p>32. Shelton State Community College (245,312)</p>	<ul style="list-style-type: none"> - In partnership with VA Hospital in Tuscaloosa for HERO PATH program - Pair veterans with mentors for skill building - New program, hiring/publication/marketing to begin after funds provided - “Emergency funds will be made available to any family member or military cohort member who is enrolled in non-credit or for-credit training with SSCC. <ul style="list-style-type: none"> o What does this mean? Is this providing funding to veterans directly? <p>No details of impact of partial funding - “funding amounts will affect programming”</p>
<p>33. Selah Christian Counseling and Wellness (72,465)</p>	<p>Currently in first year of operation; have a “sister organization” that is for-profit, Warrior Wellness Group LLC, operating since 2017</p> <p>No grant funding in the past two years, requested \$500k, awarded \$71k</p> <p>Would hire 2 full-time and 3 part-time employees: 1 full-time mental health counselor, 1 chaplain, 1 part-time mental health counselor, 1 part-time clinical director/grant facilitator, 1 part-time admin asst.</p> <p>Significant concerns about sustainability</p> <p>35% admin costs (\$97k annually)</p> <p>Plan to hire a chaplain at \$54k annually</p> <p>Plan to rent billboard space at \$15k annually</p> <p>Focused on Jefferson, Chilton, Shelby counties</p>

ATTACHMENT B

Letter from Alabama Department of Veterans Affairs
to Alabama Department of Finance
dated May 2, 2024



STATE OF ALABAMA
DEPARTMENT OF VETERANS AFFAIRS

P. O. Box 1509
Montgomery, Alabama 36102-1509
Telephone (334) 242-5077
Fax (334) 242-5102



REAR ADMIRAL W. KENT DAVIS, USN. (RET)
COMMISSIONER

Beverly Gebhardt
Deputy Attorney General

May 2, 2024

Mr. Taylor Nichols
General Counsel
Alabama Department of Finance

RE: Notice Letter 2 to ADVA-SBVA re ARPA Funds dated April 12, 2024

Dear Mr. Nichols,

I hope this letter finds you well. I am writing to address several key points and concerns outlined in your letter of 12 April 2024 regarding the recent source selection process and subsequent actions taken by the Alabama Department of Veterans Affairs (ADVA) and the State Board of Veterans Affairs (SBVA).

Prior to addressing your enumerated questions, please allow me to make a few clarifications. After receiving early guidance from the Department of Finance (DOF) it was clear the ARPA regulations would require quick understanding and administration if all deadlines were to be met. ADVA leaned heavily on the advice of ADMH through-out this process. This was reasonable, even advisable, given their expertise with general mental health issues and care, their expertise in the administration of grant programs and ARPA-funded grants specifically, and their agreement to administer the program once the selections were made. ADMH advised ADVA that their solicitation process was to issue an RFP via the State's RFP process and they provided prior examples in order to facilitate the writing of this solicitation. As they would be handling the contracts, it seemed advisable to follow their process. It was not until October 2024 when ADVA tried to post the RFP as directed by ADMH that Alabama DOF advised ADVA against the full RFP process. Upon that advice, the solicitation was not posted via the State's RFP process but to the ADVA and ADMH websites.

The SBVA took intentional steps to make the selection process fair and unbiased. They approved the creation of an independent committee comprised of experts in mental health, grants, and veterans issues to score the proposals. Members of the SBVA and employees of the ADVA were not eligible for this scoring committee. The results of the scoring were to be submitted to a special committee of the SBVA who were charged with making a recommendation to the full SBVA. By law, all SBVA members are nominated by Veteran Service Organizations (VSOs). Many,

if not all, SBVA members are members of multiple VSOs. It was, therefore, foreseeable that many of them could be members of multiple organizations seeking grant funding. In order to empower the SBVA and minimize conflicts of interest, they would vote on the slate en masse versus voting on the individual proposals. This was the approved process for both the SBVA committee and the full SBVA.

ADVA was charged with forming the expert committee to score the proposals. Advice was sought from ADMH as to experts in mental health who might be willing to serve on the committee. The need to have scorers who would not be affiliated with organizations seeking funding was discussed. ADMH replied that three of their senior staff had volunteered to serve on the committee. These individuals also had grant expertise. ADVA then identified four veteran experts who were heavily involved in veteran issues but who would not have a conflict of interest. More information on the individuals can be found below.

- 1) A list of the members of the source selection team made up of ADMH and ADVA members that recommended the approval of the fifteen top ranked, and later the thirty-three top ranked, proposals, to include all individuals present.**

In accordance with the memorandum of agreement between the Department of Finance and ADVA, a review committee was established comprised of subject matter experts from the Alabama Department of Mental Health (ADMH) and the veteran community. The committee's role was to assess and score the grant proposals, ensuring fairness and consistency. Members of the committee included:

- Nicole Walden, Alabama Department of Mental Health (ADMH) Associate Commissioner of Mental Health and Substance Use Division;
- Beverly Johnson, ADMH Director of Child and Family Services;
- Jessica Hales, ADMH Coordinator of Adult Mental Illness;
- Maj. Gen. Janet Cobb, USA (Ret.), USS Alabama Battleship Memorial Park Director;
- Col. Joe Panza, USAF (Ret.), Air University Foundation Executive Director;
- Chief Master Sgt. Dickie Drake, USAF (Ret.), served as Alabama State Representative and chair of the House Military and Veterans Affairs Committee; and
- Master Sgt. Willie Durham, USMC (Ret.), small business owner and community partner.

Due to illness, Dickie Drake and Willie Durham were unable to score the proposals within the required timeline. The three mental health experts and the remaining two veteran experts scored the proposals individually and submitted scores.

I consolidated and analyzed those scores. I was the only ADVA employee who knew which organizations submitted proposals or the results of the scoring at that time.

To determine the priority order, the scores were analyzed by relative ranking and by the cumulative differential from the scorer's average score. The priority order of these lists were identical through the first fourteen proposals. Full funding, presumed at this point, of these fourteen would amount to \$5,907,239. The lists varied as to which proposal would be fifteenth and sixteenth. With the four being considered, all four had scored similarly. Without revealing any of the names or proposals, ADVA Assistant Commissioner of Outreach and Engagement Sandra Lucas was briefed and Commissioner Davis was asked his opinion. After being briefed on the scoring described above, his decision was to put forward the slate of eighteen names with the final four being included but at partial funding.

Therefore, those involved also included:

- Kent Davis, ADVA Commissioner;
- Sandra Lucas, ADVA Assistant Commissioner; and
- Beverly Gebhardt, ADVA Deputy Attorney General.

Also in accordance with the memorandum of agreement between the Department of Finance and ADVA, the slate of eighteen potential awardees was presented to the SBVA Grant Committee. This was the first time ADVA had released information to ADVA employees, excluding myself, or SBVA members. Only the eighteen organizations were revealed with a brief explanation of the programs. The SBVA Grant Committee was charged to either accept or reject the ranking of the proposals based upon the scores en masse in order to insulate them from any conflicts of interest. They were also charged with putting a proposal before the SBVA. The committee members included:

- Chad Richmond, Chair, SBVA Deputy Vice Chairman;
- Tony Berrenotto;
- Mike Davis; and
- Scott Gedling, ex-officio, SBVA Vice Chairman.

In addition to the members, the following were present at the committee meeting where the decision was made:

- John Kilpatrick, SBVA member;
- Carol Toms, SBVA member;
- Beverly Gebhardt, SBVA legal advisor and ADVA Deputy Attorney General;
- Wendi Findley, SBVA Secretary and ADVA Administrative Officer;
- Kent Davis, ADVA Commissioner;
- Jeff Newton, ADVA Assistant Commissioner or Operations and Chief of Staff;

- Sandra Lucas, ADVA Assistant Commissioner of Outreach and Engagement;
- Dixie Black, ADVA Accounting Director;
- Brandon Miller, ADVA Public Information Manager; and
- Wade Morrison, ADVA Executive Administrator.

The SBVA expressed concern that the funding did not reach far enough to support the non-profits doing work in rural or hard to reach areas of Alabama. To meet this objective, 50% funding was proposed. A new list was made using the same criteria, resulting in 32 proposals at 50% of the submitted proposal. The thirty-third and final proposal was added at the quarterly meeting of the full SBVA as a response to what to do with the residual funds. DOF has already been provided the minutes from that meeting; the first page documents those present.

2) A statement detailing ADVA's response to the concerns raised by ADMH in their April 2, 2024 agreement termination notice concerning the funding of lobbying expenses and the possible change in approved funding amounts;

There was no formal response provided to ADMH. Commissioner Davis extended an invitation to ADMH to discuss veteran mental health issues. After what appeared to be an informative exchange, Commissioner Boswell requested additional time with Commissioner Davis and delivered the notification of their intent to unilaterally terminate the agreement. There had been no indication of ADMH's concerns prior to presentation of the letter. Once the letter was presented, ADMH was not open to discussing possible resolution.

ADVA did reach out to the Alabama Council of Chapters Military Officers Association of America (MOAA) about the allegations of lobbying and asking for "written assurance that MOAA understands a complete prohibition on using any of these grant funds for lobbying or advocacy efforts, and an explanation of facts that would allow us to determine whether Mr. Kilpatrick's service on the SBVA constitutes a conflict of interest". The response received denied the proposal included lobbying activity, admitted advocacy activity and confirmed that no MOAA member served on the SBVA Grant Committee, that no MOAA member had any influence over the grant process or awards, and that both individuals nominated by MOAA to serve on the SBVA abstained from the vote on the slate and funding.

While ADVA does not consider the assertion that the proposal does not contain lobbying activities determinative, ADVA did not reach back out for further assurances or clarifications as the Alabama Department of Finance (DOF) then

advised against further communication with awardees.

3) A statement summarizing all communications in any form that occurred between ADVA, and/or the SBVA, to recommended awardees concerning the selection of proposals or approval of funding;

DOF has already been given copies of the notifications that went out notifying those selected that their proposals had been reviewed, that they had been awarded funding, the amount of funding and that ADMH would be processing the contracts for signature.

As a group, selectees were not given additional information regarding the selection or approval of funds. However, there were some individuals affiliated with what would become selectees present at the January 2024 meetings of the SBVA where the selection decision was made. As noted above, Mr. John Kilpatrick and Ms. Carol Toms were present during both the meeting of the special SBVA committee and the full Board. They are both members of MOAA. Mr. Kilpatrick is the founder and President of Veterans Recovery Resources. Mr. Brian Battaglia was present for the SBVA meeting; he is a member or otherwise affiliated with the Krulak Marine Alliance of Alabama. Mr. Toby Cochran attended the meeting of the special SBVA committee as a member of the public and as the Director of WarHawks.

The draft minutes from the full SBVA meeting have previously been provided. The discussions at the meeting held by the special SBVA committee included an explanation about the process. This included that ADVA believed there were four (4) proposals sent in by U.S. mail which were not accepted as attempted delivery occurred after the submission deadline and there were two (2) proposals which were not scored as they failed to meet the minimum submission requirements. The scoring was explained to include the use of the cumulative ranking supported by the cumulative average score differential utilized to determine the highest scoring proposals. Mr. Gedling stated that he did not believe the slate reflected the will of the SBVA to provide resources to the smaller organizations targeting underserved populations. Commissioner Davis suggested the committee could accept the ranking but recommend a different funding plan. He suggested more partial funding. Mr. Gedling moved to recommend funding at 50% until the funding was exhausted. Throughout the meeting, the only identifying information released as to which organization had submitted proposals was the eighteen (18) described in the original recommendation.

- 4) An itemized statement detailing for each proposal recommended for approval of what specific proposed expenditures in the proposal is approved for funding, as well as an explanation of the provision of the ARPA Final Rule, or other Treasury Guidance, that authorizes each expenditure to be funded; and**

ADVA routinely administers federal grant funds and has done so for several decades. Based upon that experience, the differences and complexities of the ARPA program were recognized from the beginning. To that end, ADVA entered into the agreement with ADMH specifically to lean on their expertise with ARPA grants. When ADMH terminated that agreement, ADVA contacted DOF to access their expertise. In response to that request, DOF has asked ADVA to map each of the proposed expenditures to the authorizing rule, regulation, etc.

ADVA is endeavoring to provide DOF the information requested but would be ill advised to rely on their imperfect understanding of the ARPA rules in an effort to respond to this portion of the request. **ADVA recognizes expenses of some of the proposals and, likely, entire proposals will not be allowable under the ARPA guidelines and other parameters established for this program.**

Still seeking a path forward and within all guidelines, ADVA has entered into negotiations with Troy University to provide their ARPA expertise and administration services. Discussions have already occurred which explain that Troy University would need to identify any expenses not allowable under the parameters of the program and that the contracts with the selectees would also repeat the provisions from the solicitation as to compliance and reporting.

- 5) A statement detailing what communications, if any, have been made with awardees to ensure that the proposed programs can be carried out at the proposed funding amounts and/or without funding for any unauthorized expenditures contained in the proposals.**

Awardees have indicated their ability to carry out proposed programs, albeit potentially at a reduced level, if full funding is not granted. Further discussions on final deliverables and service provision are necessary and will resume upon resolution of funding the mechanisms.

We appreciate your attention to these matters and welcome further discussion or clarification. Please do not hesitate to reach out with any questions or concerns. Your collaboration is invaluable as we strive to enhance services for Alabama veterans and their families.

Thank you for your time and cooperation.

Sincerely,

A handwritten signature in black ink, appearing to read "Beverly Gebhardt", followed by a horizontal flourish.

Beverly Gebhardt
Deputy Attorney General

ATTACHMENT C

Letter from Ethics Commission Executive Director
Thomas B. Albritton to Mental Health Commissioner
Kimberly Boswell dated August 26, 2024



COMMISSIONERS

Brig Gen (R) Edward F. Crowell (USAF), Chair
J. David Dodd, Vice-Chair
Greg Pappas

STATE OF ALABAMA
ETHICS COMMISSION

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Thomas B. Albritton
Executive Director

TELEPHONE (334) 242-2997
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WEB SITE: www.ethics.alabama.gov

August 26, 2024

Ms. Kimberly Boswell



Re: Case No. 2024-0269

Dear Ms. Boswell:

As you are aware, a report was filed with our office pursuant to *Ala. Code* § 36-25-17 against you and others on July 24, 2024.

The facts presented in the report allege a potential violation of *Ala. Code* § 36-25-26(a). The Commission is only authorized to investigate when a report, on its face, alleges facts which if true, would constitute a violation of the Ethics Act.

After a review of the information, we have determined that the complaint fails to satisfy the requirements for our consideration, and accordingly we are closing our file in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Thomas B. Albritton".

Thomas B. Albritton
Executive Director

/ai

ATTACHMENT D

Letter from State Board of Veterans Affairs
Vice Chairman Scott Gedling to SBVA
Board Members (sent October 16, 2024)

Fellow Board Members:

I am writing to ask each of you to join me in reflecting on how we can do better for the people we serve: Our state's veterans and their families. You know that I always ask you as board members to do your homework, study the facts, ask hard questions and have open and productive debates. But after last week's meeting, I do not believe we as a body lived up to that goal.

Governor Ivey personally attended our meeting and, after praising our work, reminded us that we are all part of one team in the executive branch of state government. How did we respond? By publicly rejecting her conclusion without considering any input from any other State Agencies about Commissioner Davis's handling of the ARPA grant program and by publicly questioning the private resolution that Governor Ivey had reached with Commissioner Davis to save us all from this continued conflict. I cannot imagine anyone outside the Veteran community thinks we are acting as a team with the Governor right now.

In truth Commissioner Davis along with a few others in the Veteran community orchestrated the outcome of votes by placing extreme pressure on some of you to do and say things that went against your beliefs and the very principles on which this board should stand. Regardless of whether we all still agree with how these votes came out, we can all agree that Commissioner Davis's actions leading up to them went against his public statement last month that his resignation would resolve this matter to the mutual benefit of all parties. I gave him a clear opportunity during the board meeting to reaffirm his resignation and put this all behind us, but he failed to do so.

I stand by my word when I said that Commissioner Davis has done some really good things as commissioner, and I will always be grateful for these accomplishments. However, today, I believe that he has manipulated me and the Board to keep his job and serve his own interests. I also now believe that his actions have brought the Board itself into disfavor with the Governor and Legislature—elected officials we must always have on our side if we are going to serve our mission. For this reason, I am convinced that Commissioner Davis must step aside. I hope you will join me in urging him to do so.

Resolving this distraction is the only way we can get back to serving Alabama veterans. I was reminded just how important our mission is when one of my fellow VFW members approached me over the weekend about a homeless veteran he was personally helping. He asked me where he should go next to get the veteran temporary shelter and food, but I only had a few of the answers he needed. We should all have those answers, and we should develop a good network of all the services, agencies, and organizations that could have helped this veteran. Instead, our Board is spending its valuable time on one man's quest to save his position and standing in our community.

I believe Governor Ivey wants to do everything we can as a state to best serve our veterans, just as each of us do. No doubt we have accomplished a great deal for veterans and the military community in Alabama, but we will continue these accomplishments only when we all work together, including with our elected leaders, state agencies and other organizations.

In closing, I would like to acknowledge that we are all challenged in this life, but everything is part of God's plan. I believe we will be able to close this chapter and move forward together as a team.

Thank you for all you do for veterans.

A handwritten signature in blue ink, appearing to read "Scott Gedling". The signature is fluid and cursive, with a long horizontal stroke at the end.

Scott Gedling
Vice-Chairman, Alabama State Board of Veterans Affairs

ATTACHMENT E

Letter from Governor Kay Ivey to Veterans Affairs
Commissioner Kent Davis dated October 10, 2024

OFFICE OF THE GOVERNOR

KAY IVEY
GOVERNOR



STATE CAPITOL
MONTGOMERY, ALABAMA 36130

(334) 242-7100
FAX: (334) 242-3282

STATE OF ALABAMA

October 10, 2024

Via email: kent.davis@va.alabama.gov
W. Kent Davis, Commissioner
Alabama Department of Veterans Affairs
RSA Union Building, Suite 850
100 North Union Street
Montgomery, AL 36102-1509

Dear Admiral Davis:

Last month, you gave me your word that you would resign your post as Commissioner of Veterans Affairs effective December 31, 2024. After today's meeting of the State Board of Veterans Affairs, there is now a question whether you will in fact resign, as you promised me you would do.

Please immediately reaffirm, in writing, your decision to resign.

Sincerely,

A handwritten signature in cursive script that reads "Kay Ivey".

Kay Ivey
Governor