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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

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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.

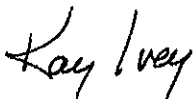
Attached is a letter from the Department of Mental Health terminating its agreement to assist your department in administering the ARPA grant funds. Also attached is a letter from the Department of Finance citing its numerous concerns over the handling of these grants. These documents paint a picture 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