

Application Type

Charter School Merger Application - 2026 Cycle

Merger App 3rd Try

Submitted To

Alabama Public Charter School Commission

Submitted by

Alabama Aerospace and Aviation High School (AL-812)

Submitted at

09/01/2026 06:31 PM

Application Elements

I) Brief Opening Statements

Status: Completed

Form Result

a. Provide a brief overview of the proposed merger in 4 sentences or less (elevator pitch).

Alabama Career Institute (ACI) will create a comprehensive grades 6 through 12 career-connected school that combines AAHS's established aerospace and aviation program with ICI's health sciences model, giving students access to two high-demand career pathways within one rigorous college-preparatory program. Beginning in the middle grades, students will build strong academic foundations, explore both career fields, and make increasingly informed pathway choices before entering advanced coursework, dual enrollment, industry credentialing, and work-based learning opportunities in high school. The merger brings together AAHS's operating experience, existing school community, staff capacity, and industry relationships with ICI's planned health sciences pathway and middle-grades design, creating a stronger and more comprehensive school than either organization could build independently. The schools will accomplish this through the statutory merger of AAHS into ICI, with the surviving nonprofit renamed Alabama Career Institute, Inc.

b. For each school affected, provide a brief narrative on the rationale for the merger for that school. Keep the narrative for each school to 4-6 sentences. There are opportunities to provide more detailed information elsewhere in the application.

AAHS: The merger allows AAHS to build on its established aerospace and aviation model while expanding what it can offer students. As part of ACI, AAHS students will gain access to a second high-demand career pathway in health sciences, a broader grades 6 through 12 school community, and an earlier middle-grades pipeline that can strengthen long-term enrollment and student preparation. AAHS also contributes operating experience, staff knowledge, school culture, and industry relationships that will anchor the combined institution. The result is not the loss of AAHS's identity or program, but the extension of its strongest features into a larger, more resilient career-connected school.

ICI: The merger gives ICI a stronger platform from which to launch its health sciences pathway. Rather than building every operational, instructional, governance, and community system from a standing start, ICI will open within an institution that already has students, staff experience, operating systems, industry relationships, and a record of delivering career-connected education. ICI contributes the planned health sciences pathway and middle-grades design, broadening the combined school's appeal and creating new opportunities for students who may not initially identify with aerospace and aviation. Together, the two models create a more complete grades 6 through 12 career pathway continuum than either school would offer independently.

c. Describe briefly the benefits of the merger for students. Keep the narrative short. There are opportunities to provide more detailed information elsewhere in the application.

Students will gain access to a broader grades 6 through 12 career pathway continuum that neither predecessor school could offer alone. In the middle grades, students can explore aerospace and aviation and health sciences before making a more informed pathway choice in high school. As students advance, they will have access to pathway-specific coursework, industry credentials, dual enrollment, work-based learning, and a wider network of employer and postsecondary partners. The merger therefore expands opportunity while preserving continuity for current AAHS students and creating a stronger launch environment for incoming ICI students.

d. Describe briefly the financial impact of the proposed merger. Keep the narrative short. There are opportunities to provide more detailed information elsewhere in the application.

The merger is designed to strengthen the combined school's financial position by supporting a larger and more diversified enrollment base, sharing administrative and operating infrastructure across two pathways, and reducing the duplication that would exist if AAHS and ICI operated as separate schools. It also allows facilities, leadership, back-office services, and student supports to be planned for one integrated school rather than two independent organizations. The five-year financial plan will quantify these efficiencies and the additional investments required to support the combined model, including facilities, staffing, and pathway expansion.

Element Review

Reviews is not provided

II) School Governance

A) Nonprofit to Hold Charter Contract

Status: Completed

Form Result

i. Name of the nonprofit organization that will hold the charter contract(s) post-merger.	Alabama Career Institute, Inc. (formerly Invictus Career Institute, Inc.)		
ii. Name the board president(s)/chairperson(s) of the nonprofit that will hold the charter contract(s) post-merger.	[object Object]		
iii. Please attach a list of all current board members of the nonprofit that will hold the charter contract post-merger, and their offices if any.	File name:	ACI_Proposed_Board_of_Directors_and_Officers_Attachment_v2(1).docx	
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iv. Provide the date the merger was approved by the nonprofit that will hold the charter contract post-merger. Please attach the board meeting minutes of formal board vote of approval of the merger.	08/31/2026		
v. Please attach the board meeting minutes of formal board vote of approval of the merger.	File name:	Attachment_Placeholder.pdf	
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Element Review

Reviews is not provided

B) Affected Nonprofits

Status: Completed

Form Result

i. Provide the name(s) of the charter schools affected, corresponding board chairperson(s), and date(s) the merger was approved by these boards.

	School	Chairperson	Date
(1)	Alabama Aerospace and Aviation Academy	Col. Al Niles	8/31/2026
(2)	Invictus Career Institute	Dr. Andrew Loehr	8/31/2026
(3)			
(4)			

ii. For each board, attach the board meeting minutes of the meeting in which the merger was approved.

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iii. For each school affected, attach a letter of intent, written on school letterhead and signed by both the board president/chairperson and the head of school/superintendent, stating it is the intention of the non-profit to merge their school into the merged school. The letter shall state the following: 1) the Commission must approve the merger, and if approved a new charter contract or charter contract amendment must be executed for the merger to be effective; 2) the merger is not effective until all required filings have been made with the Alabama Secretary of State (if applicable) and the ALSDE; and 3) the merger plan shall have no school liabilities of the nonprofit being avoided, and no school assets of the nonprofit being removed.

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iv. List all board members to be added to the nonprofit holding the charter contract post-merger, and their prior affiliation to an affected charter school board if any. If applicable, provide the year the board members rotate off the board. For continuity, it is recommended that at least one board member from each affected school be included on the board of the nonprofit holding the charter contract for at least 6-months post-merger.

Col. Al Niles, Jr.	AAHS	Aerospace and aviation; defense; strategy; government acquisition; program management	2028
LouAnn Hasenkamp	AAHS	Aerospace; project controls; procurement; construction; scheduling; risk management	2028
Terry Mills	AAHS	Community engagement; entrepreneurship; real estate; student mentorship	2027

Gabriel Kim	AAHS	Finance; investment; mergers and acquisitions; restructuring; nonprofit and real estate strategy	2029
Roderick J. Smith	AAHS	Aviation operations; safety; military leadership; instruction; youth mentoring	2028

v. Provide a narrative on how each nonprofit will retain and store records (including board meeting agendas and minutes) and how applicable records will be made publicly available post-merger.

Alabama Career Institute will preserve the complete historical record of both founding organizations while moving future governance records into one coordinated system maintained with MAEF back-office support. Legacy board agendas, minutes, policies, financial records, and other required records will be indexed and retained rather than discarded at closing. Public records, including board meeting notices, agendas, minutes, bylaws, and adopted policies, will be accessible through ACI's public website and through the school's public-records process. Confidential records will be maintained in access-controlled systems, with identity and authorization verified before release

v. For nonprofit(s) involved in the merger giving up a charter contract, indicate if the nonprofit will dissolve at the point of merger or continue to exist. If the nonprofit continues to exist, give the modified mission of the nonprofit and provide a plan for how school assets and liabilities will be separated and moved to the merged school. If the nonprofit will be dissolved, provide a plan for the disbursal of all assets and liabilities of the nonprofit.

AAHS's separate corporate existence will terminate at the Effective Time of the statutory merger, and Invictus Career Institute will continue as the surviving nonprofit corporation under the name Alabama Career Institute, Inc. At the Effective Time, all AAHS assets, including cash, receivables, equipment, leasehold interests, intellectual property, contracts, grants, and restricted funds, will vest in ACI by operation of Alabama law, and all AAHS liabilities and obligations will be assumed by ACI on the same basis. The parties have adopted a detailed transfer procedure under which each category is placed on a supporting schedule, reconciled to the FY2025 audit and subsequent financial records, reviewed by finance and counsel, and updated through the pre-closing balance sheet. Restricted assets and grant funds will be cross-referenced to their original donor, grant, or public-funding restrictions so those restrictions remain attached after transfer; contracts and leases will be reviewed for notice, consent, assignment, or termination requirements; and debt, liens, employee-benefit obligations, receivables, and contingencies will be separately identified and reconciled. Any item that remains disputed or unquantified at closing will remain on an exception schedule for post-closing resolution, but it will not be excluded from the statutory transfer: unresolved AAHS liabilities still transfer to ACI by operation of law. This process is designed to ensure that no liability is avoided and no asset is removed through the merger. Completion item: The Asset, Liability, Contract and Restricted Funds Transfer Plan is drafted and establishes the procedure, owners, source documents, reconciliation steps, and timeline. The remaining work is to populate and update the item-level schedules, obtain required third-party consents and confirmations, reconcile the schedules to the final pre-closing balance sheet, and include the completed schedules in the merger file before the Effective Time.

Assets & Liabilities disbursement plans

File name: ACI_Asset_Liability_Contract_Restricted_Funds_Transfer_Plan_v3(1).docx

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Element Review

Reviews is not provided

C) Nonprofit Post-Merger

Status: Completed

Form Result

i. Provide a narrative on the board's capacity to govern the school post-merger. Include resumes or bios of all board members, and planned board members, of the nonprofit holding the charter contract post-merger.

ACI's proposed eight-member board combines the full governing boards of Invictus and AAHS rather than selecting only a subset from either predecessor school. That structure provides immediate continuity and a broad mix of complementary expertise. Invictus contributes senior healthcare operations and financial leadership through Andrew B. Loehr, clinical and academic health-sciences expertise through Santiago Borasino, and public-safety and community experience through Christopher Anderson. AAHS contributes aerospace and defense strategy through Col. Al Niles, aerospace project controls and procurement experience through LouAnn Hasenkamp, community and real-estate experience through Terry Mills, finance, investment, and merger/restructuring expertise through Gabriel Kim, and aviation operations, safety, and instructional experience through Roderick J. Smith. Collectively, the board is positioned to oversee both career pathways and the academic, financial, operational, compliance, facilities, and community-engagement responsibilities of a larger grades 6 through 12 school. Combining the boards also prevents the merger from severing governance continuity from either predecessor organization.

Attachment – Board member re-sumes post-merger

File name: ACI_Board_of_Directors_Re-sumes_and_Qualifications.pdf

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ii. Describe any potential conflict of interest concerning board members of the nonprofit holding the charter contract post-merger. Attach disclosure statements for all board members post-merger that include any connections to any affected school.

Ruben Morris currently serves as founder/CEO of AAHS and as CEO of ICI, and will lead the combined entity; this dual role is the connective tissue that made the merger possible but also concentrates institutional knowledge and decision-making authority in a single person. MAEF and its CEO advise both AAHS and ICI on this same transaction and hold a related-party relationship with both merging entities. Response plan: (1) any director with a financial or advisory relationship to both AAHS and ICI, including Ruben Morris and any MAEF-affiliated director, is recused from board votes approving the merger's terms, the asset and liability transfer plan, and any post-merger services agreement between ACI and MAEF; (2) the combined board's members will include at least one director with no prior financial or advisory relationship to either founding school, to independently review conflicted decisions; (3) all board members complete and file a written disclosure statement prior to the board's vote on the merger, updated annually thereafter; and (4) any future services agreement between ACI and MAEF is negotiated and approved by the disinterested directors only. ACI has prepared a draft annual conflict of interest disclosure statement for every proposed post-merger board member. The form requires disclosure of current or prior affiliations with AAHS and ICI; financial, advisory, or employment relationships with MAEF and other service providers, vendors, lenders, or landlords; interests in facility, construction, or financing arrangements; and any other relationship that could reasonably be perceived as a conflict concerning the merger or post-merger services. The form also requires continuing disclosure and recusal where appropriate.

iii. Describe any proposed changes to the education service provider contracts including but not limited to: changes to fees; changes to services provided; contract consolidation; and/or changes to the relationship between the school and the provider. If there are no education service provider contracts, reply NA.

MAEF currently provides back-office and CMO support to AAHS and ICI under separate services arrangements. Post-merger, ACI intends to replace those parallel arrangements with one agreement covering the combined school, rather than layering two legacy fee structures on top of one another. The consolidated scope is expected to include finance and accounting, compliance, federal-program support, human resources, and agreed operational services, with one set of service standards, reporting expectations, remedies, and termination provisions overseen by the ACI board. The economic objective is to eliminate duplicated administrative charges and align the total fee with the actual scope required by the combined organization. Before approval, disinterested directors will compare the proposed pricing and scope against the aggregate cost of the existing arrangements and available market benchmarks and will approve the agreement only after determining that the services and fees are fair, reasonable, and in ACI's best interest.

iv. Describe the impact of the proposed merger on the governance policies of the nonprofit holding the charter contracts. Include changes to the dissolution process if any.

The merger will replace separate governance frameworks with a single set of bylaws and policies for Alabama Career Institute, Inc. Counsel has prepared draft amended and restated bylaws that permit three to eleven directors; the current proposal is an eight-member initial board combining all directors from both predecessor boards. The bylaws require at least 20 percent parent/legal-guardian representation, staggered terms, annual officer elections, an Executive Committee composed of officers, a required Finance and Audit Committee, a Governance and Nominating Committee, formal conflict-of-interest procedures, public-records requirements, independent audit oversight, and board-level oversight of academic performance and charter compliance. Final adoption will conform the bylaws' initial-board description and parent-representation requirement to the final roster approved at the merger.

v. Describe any anticipated impact on school governance post-merger not discussed above.

Beyond formal policy consolidation, the merger will carry forward specific strengths from both founding boards while correcting fragmented oversight. The Invictus board contributes healthcare, organizational, and community-facing expertise, while AAHS contributes direct operating-school experience and aerospace/aviation expertise. ACI will preserve AAHS's practice of regular CEO reporting and its recently adopted ninety-day progress reviews, but place those reports within one board dashboard covering academic outcomes, CSI implementation, attendance, enrollment, finance, compliance, facilities, workforce partnerships, and merger milestones. The required Finance and Audit Committee will provide a standing forum for deeper review of financial controls and audit matters, while the Governance and Nominating Committee will oversee board composition, succession, evaluation, and conflicts. This creates a clearer escalation path for issues and a more disciplined governance cycle than maintaining separate boards, reporting structures, and organizational priorities.

vi. Attach the bylaws for the nonprofit holding the charter contract post-merger. Also attach a board approved list of board meeting dates and times post-merger. The list should include, at a minimum, times and dates for 6 months post-merger.

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Element Review

Reviews is not provided

III) Affected Schools

A) School Information

Status: Completed

Form Result

i. For each affected school, please provide the following contract information. If the school is not yet open, list the anticipated opening year.

	School	Year Opened	Current Contract Start Year	Current Contract End Year
(1)	Invictus Career Institute	2027	2027	2032
(2)	Alabama Aerospace and Aviation High School	2021	2021	2026
(3)	NA	NA	NA	NA
(4)	NA	NA	NA	NA
(5)	NA	NA	NA	NA

ii. For each affected school, please provide the following enrollment information for the most recent school year. If the school is not yet open, list NA as appropriate.

	School	School Year	Grades Served	Total Enrollment
(1)	Invictus Career Institute	2026	NA	NA
(2)	Alabama Aerospace and Aviation High School	2025	9 to 12	188
(3)	NA	NA	NA	NA
(4)	NA	NA	NA	NA
(5)	NA	NA	NA	NA

iii. For each affected school, provide a narrative from the school's perspective on the benefits and rationale for the merger. Specifically, address how the merger will best serve the students at that school.

AAHS: For AAHS students, the merger expands opportunity without requiring the school to abandon its aerospace and aviation identity or its current improvement work. The Aerospace Pathway remains a core ACI pathway; the current CSI improvement plan, ALSDE school-improvement support, instructional improvement systems, and existing instructional leadership are intended to continue without interruption. No AAHS student is intended to lose a seat, no academic pathway is being eliminated, and no staff reduction is planned solely because of the merger. Current students instead gain a broader peer community, an additional career-connected pathway, and the benefits of a grades 6 through 12 enrollment pipeline that can strengthen the institution around them. ICI: For ICI students, the merger provides a more mature and stable launch environment without abandoning the Health Sciences model that drove ICI's original design. Incoming students will enter a school with existing operational systems, experienced personnel, established industry relationships, and a functioning career-connected culture, while retaining access to the planned Health Sciences Pathway and gaining access to aerospace and aviation opportunities. The merger therefore expands each school's offering without displacing the core program or student population of either predecessor school.

iv. For each affected school, provide a narrative from the school's perspective on how the merger will affect the mission and vision of the school.

The merger incorporates, rather than replaces, the missions of both affected schools. AAHS's commitment to rigorous, industry-aligned aerospace and aviation education will continue as a core

ACI pathway, while ICI's commitment to health sciences education will become the second core pathway. ACI's broader mission unifies those commitments around a common grades 6 through 12 model: strong college-preparatory academics, early career exploration, authentic technical learning, industry credentials, postsecondary connections, and clear transitions to high-demand careers. The combined mission therefore preserves the distinctive purpose of each predecessor school while creating a larger framework in which both can grow.

v. For each affected school, provide a narrative addressing steps taken to resolve any issues raised on the last performance framework.

AAHS: AAHS's most recent performance framework review, presented to the governing board in the 2025 Annual Compliance Report, found the school meeting all three academic standards, with 88.35 percent academic growth, 39.8 percent academic achievement, and strong organizational performance across governance, program delivery, special populations, and mission alignment. The review identified three focus areas: financial sustainability, chronic absenteeism of 31.14 percent, and reporting compliance, with ten of fourteen compliance measures at Meets, three at Approaches, and one Below. In response, the board adopted four strategic priorities covering financial stability, attendance growth, compliance, and sustainable expansion, and instituted ninety-day progress reviews together with monthly CEO updates to the board.

Subsequent to that review, the Alabama State Department of Education identified AAHS for Comprehensive Support and Improvement (CSI) under the state's federal accountability system in December 2025. AAHS engaged fully in the Office of School Improvement process, completing a Needs Assessment and Root Cause Analysis that included longitudinal review of state report card data, a structured self-assessment against the Four Domains of Rapid School Improvement, and a Five Whys root-cause protocol. That work produced board-level priorities with SMART goals and improvement systems now being implemented during the 2026-27 school year.

Academic achievement: The review showed mathematics proficiency at 13.21 percent and ELA proficiency at 36.73 percent, while academic growth reached 88.35 percent. AAHS established goals to raise mathematics proficiency to 25 percent and ELA proficiency to 50 percent by May 2027. The school has implemented a Unit Planning and Standards Analysis Cycle, standards-level mastery tracking, at least biweekly instructional observations with documented coaching feedback, professional development led by the Instructional Leadership Team, and tiered intervention through its RTI and ACT Academic Support Implementation Plan.

Attendance and culture: Chronic absenteeism has already declined from 52.52 percent to 31.14 percent, with a further target of 20 percent by May 2027. AAHS has implemented biweekly attendance monitoring, early-warning triggers with documented family outreach, family progress routines tied to grading cycles, and automated attendance communication through PowerSchool Safe Arrival. The school is also implementing a recognition system tied to growth, achievement, attendance improvement, behavior, and leadership, with a goal of reducing discipline incidents by 25 percent from baseline by May 2027.

Resources and oversight: Approximately \$98,000 in CSI 1003 funding is budgeted to support the improvement work, including a Dean of Academic Progress, summer intensive training for the Instructional Leadership Team, executive coaching, teacher professional development in data-driven instruction, and attendance and truancy supports. ALSDE's Office of School Improvement has assigned a principal coach, and AAHS has designated an accountability coordinator. The school also maintains a four-domain evidence system aligned to its continuous improvement plan, together with monthly CEO reporting and ninety-day board reviews.

Financial sustainability and compliance: The framework identified negative days cash and a negative net margin, driven by reimbursement delays, lower-than-projected enrollment, and startup costs. AAHS responded with advocacy on reimbursement timing, expanded fundraising, and enrollment growth, with enrollment increasing from 146 students at the time of review to 164 students in the current year. Financial operations continue under the school's back-office support model with GAAP-compliant accounting, monthly reconciliations by a party without disbursement access, and an annual independent audit reporting directly to the governing board; the audit for the fiscal year ended September 30, 2025 has been completed. AAHS also reviewed safety protocols, upgraded

reporting systems, and provided staff training in response to compliance measures rated below Meets. The proposed merger is itself part of the structural response to the sustainability concerns identified by the framework because it diversifies enrollment across multiple career pathways and creates shared administrative infrastructure.

ICI: ICI has not yet opened and therefore has no performance framework history. This item is not applicable to ICI.

Element Review

Reviews is not provided

B) Employee Information

Status: Completed

Form Result

i. For each affected school, provide a narrative from the school's perspective on how the merger will affect the employees of the school.

For AAHS employees, the merger is intended to provide continuity of employment while creating opportunities to work within a larger grades 6 through 12 organization with two career pathways, broader professional learning, and a more diversified institutional base. Current AAHS staff who would normally be retained absent the merger are expected to continue in the combined school in the same or comparable roles, subject to the final staffing plan and normal performance expectations. ICI employees and planned hires will join an operating organization rather than a standalone start-up, giving them access to established systems, colleagues, and school culture from the outset. Across both groups, the objective is a stable transition in which employees understand their roles, reporting relationships, compensation, benefits, and professional opportunities before the merger becomes effective.

ii. For each affected school, describe the process for termination of employment for staff members and the process of recommendation and/or hiring by the merged school. Include any processes for transferring employment to the merged school, if applicable. Describe how years of service, corresponding benefits, and other employee perks will be retained and/or implemented if applicable. Describe changes to salaries and benefits. Describe how salary charts and benefit packages will be combined and/or modified.

Because the transaction is structured as a statutory merger, AAHS employees are not expected to experience a break in service solely because of the merger. ACI intends to credit years of service from each employee's original hire date at AAHS or ICI, preserve associated service-based benefits where legally and contractually permissible, and avoid reducing an employee's base salary solely because of the transaction. As the combined compensation and benefits framework is finalized, ACI will preserve each employee's recognized service date for purposes of any seniority-based leave accrual, service-linked eligibility periods, and other tenure-based benefits or perks that exist under the applicable predecessor policy and can lawfully continue under the merged plan. The combined school will reconcile existing salary schedules and benefit packages into one board-approved compensation and benefits framework, with employees receiving written notice of any change before implementation. Any position changes or separations required for reasons independent of the merger will follow the school's adopted personnel policies and applicable law. New and transferring employees will receive onboarding to the combined school's policies, leadership structure, instructional expectations, benefits administration, and operational systems.

ACI will also enact continuity provisions committing to no break in employment, years-of-service credit from each employee's original hire date, and no base salary reduction solely as a result of the merger.

iii. Describe any additional impact on school employees not described above. Include any programs designed to support employee morale over the merger period.

The principal employee challenge is organizational change, not a merger-driven reduction in force. AAHS faculty and staff were briefed in person during opening professional development in August 2026, before students returned. Leadership communicated that current instructional staff would continue in their roles, that recognized years of service and associated benefits would carry forward into the surviving organization, and that the aerospace and aviation program would continue intact as an anchor of the combined school. Employees were invited to raise questions during the session, through regular Flight Crew and leadership meetings, directly with the Chief Executive Officer or School Director, or privately through Human Resources. Questions concerning pay schedule and benefits continuity have been answered in writing. Following approval, ACI will continue this cadence through regular all-staff briefings, written FAQs, individual notices confirming role, supervisor, compensation and benefits treatment, and joint professional-development and culture-building sessions before combined operations begin. A designated HR/transition contact will track unresolved questions through the first ninety days after the Effective Time. These steps are intended to preserve institutional knowledge, reduce uncertainty, and give employees a clear path from the predecessor organizations into one operating culture.

Element Review

Reviews is not provided

C) Communication Information

Status: Completed

Form Result

i.For each affected school, provide a narrative from the school’s perspective on how the school has informed stakeholders of the possibility of merger, and the efforts of the school to reassure stakeholders and answer questions from the school community. Please include a section for internal stakeholders (students, parents, staff) and external stakeholders (community members, partnering organizations). Provide evidence of communication to stakeholders.

Both schools have already undertaken merger-specific communication in addition to the broader community engagement that informed their original school designs. AAHS families received written notice of the proposed merger through the August 17, 2026 Mission Control parent newsletter, which expressly described the transaction as a proposal, invited questions and pushback, and reminded families that the August 20 governing-board meeting was open to them. The AAHS board has considered merger-related matters across its regular meeting cycle, including a July 16 Executive Committee discussion and an August 20 board review. AAHS faculty and staff were briefed in person during opening professional development in August 2026, before students returned, and employment-specific questions concerning pay schedule and benefit continuity have been answered in writing. ICI's governing board has likewise been engaged throughout the development period through board meetings, Executive Committee discussion, written updates, and the scheduled September 8, 2026 meeting to consider formal action on the Plan of Merger. External stakeholders have also been briefed directly, including Bessemer City Council Representative Carla Jackson on June 11, 2026, the Lifting As We Climb Foundation on June 15, 2026, and the President of Lawson State Community College on June 24, 2026. The schools have deliberately distinguished what is settled from what remains subject to board or Commission action so stakeholders can respond while the plan is still capable of change.

Attachment – Evidence of stakeholder communication	File name:	ACI_Stakeholder_Communication_and_Reassurance_Summary.docx
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ii. For each affected school, provide a narrative from the school's perspective on any notable support for, or opposition against, the merger. Attach any relevant written communication and meeting minutes.

The current record reflects broad support for the proposed merger and no registered opposition through the communication channels used to date, while recognizing that the formal board votes and Commission process remain pending and the record remains open. At AAHS, the governing board has continued to advance the merger through its regular meeting cycle without recorded dissent; faculty and staff responded positively to the August 2026 briefing; and no family has registered opposition through the front office, Family and Community Liaison, open board meeting, or direct contact with the Chief Executive Officer after families were expressly invited to question or oppose the proposal. Staff questions have focused principally on employment terms and interim facility capacity, and those concerns have been addressed through written HR responses and continued facility planning rather than by treating them as opposition to the merger. At ICI, directors have remained actively engaged in the merger process, including written responses to August 2026 updates and board leadership's scheduling of the September 8 meeting for formal action. The Lifting As We Climb Foundation, Bessemer City Council Representative Carla Jackson, and the President of Lawson State Community College were separately briefed and expressed support for the combined career-technical and STEM model. Children's of Alabama is represented in ICI governance and has remained engaged in the work. NewSchools Venture Fund and the federal Charter Schools Program have also invested in ICI during the merger-development period with the proposed transaction known to them; those investments are evidence of continued confidence in the school-development work, not substitutes for formal endorsement of the merger. The schools will continue to disclose any opposition or conditions of support that emerge before filing or during Commission consideration.

Attachment – Support or opposition to the merger

File name:	ACI Merger "Notable Support and Opposition Narrative(1).docx"
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iii. Assuming approval, for each affected school provide a communications plan for how the school will advertise and inform the community during the period between approval and the effective date of the merger.

Assuming approval, ACI will use the period between Commission approval and the Effective Time as a structured community co-design process rather than a one-way announcement campaign. Broadcast communication will continue through the channels families already use, but the central mechanism will be small-group, ninety-minute co-design sessions capped at approximately twelve participants and offered at varied times and virtually as needed. Six tracks will address: (1) student experience and transition; (2) culture and identity; (3) pathways and course sequencing; (4) transportation and campus logistics; (5) enrollment and family communication; and (6) partners and workforce. Each track will produce a defined implementation deliverable. Participants will be recruited across both school communities, grade bands, and historically underrepresented family groups, including families of students with disabilities and English learners. Every recommendation will be assigned a written disposition of adopted, adopted with modification, or not adopted with the reason stated; dispositions will be returned to participants within fifteen business days and summarized publicly through a 'You Said, We Did' update. AAHS families will receive individual written confirmation of continuing-student status, and employees will receive individual confirmation of role and benefits. ICI outreach will focus on prospective families, the founding community organization, feeder schools, community partners, and prospective employees. Joint open houses, partner briefings, feeder-school presentations, newsletters, website updates, community-partner distribution, and local media outreach will reinforce the co-design process. The plan targets at least twelve co-design sessions between approval and the Effective Time, direct confirmed communication with at least sixty percent of enrolled AAHS families, written continuity notices to every enrolled AAHS family and employee, and a standing co-design report to the governing board at each regular meeting. The full

Post Approval Communications and Community Co-Design Plan will be included as a supporting attachment.

Attachment – Communication plans

File name: ACI Merger "Post Approval Communications and Community Co-Design Plan(1).docx"
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Element Review

Reviews is not provided

D) CSP Grant Information

Status: Completed

Form Result

i. In the table below, list the affected schools that have received federal Charter Schools Program (CSP) funds, either directly or through a state entity. Give the award period, award amount, and indicate the grant status (active or closed).

	School	Award Period	Award Amount	Status
(1)	Invictus Career Institute	2026-2029	\$2,000,000	Open
(2)	Alabama Aerospace and Aviation Hight Schools	2021-2024	1,500,000	Closed
(3)				
(4)				
(5)				

ii. For each school listed above, describe how assets purchased with CSP funds will be accounted for and transferred following the merger. Applicants must demonstrate compliance with all applicable federal grant requirements and inventory controls.

CSP-funded equipment, materials, curriculum, and technology will be transferred to Alabama Career Institute as the surviving entity and controlled through a grant-specific inventory process. Before the Effective Time, the ACI finance/grants function will reconcile the fixed-asset and equipment inventory to the applicable CSP award file, procurement records, invoices, and payment documentation; identify each item by funding source and applicable asset identifier; verify its physical location and condition; and document any disposition, transfer restriction, or continuing federal interest. The responsible program or operational custodian will verify possession of the assets, and the finance/grants function will complete a final reconciliation for inclusion in the merger file. After the merger, CSP-funded property will remain separately identifiable in ACI's asset records and will be subject to the same periodic physical inventory and disposition controls applicable under the grant. ICI has prepared a draft CSP certification confirming that CSP-funded assets will be accounted for and transferred to the surviving entity in compliance with federal grant and inventory requirements. The itemized inventory remains in process, but the transfer procedure is established: grant-funded assets will be reconciled to the grant and procurement files, physically verified, assigned to a responsible custodian, cross-referenced to the merger asset schedule, and carried into ACI's post-merger inventory records without interruption of applicable federal restrictions. Completion item: Compile and reconcile the current CSP-funded asset inventory to the grant file and attach the final inventory and reconciliation to the application.

iii.Describe how student records, financial records, procurement records, and grant documentation associated with any CSP-funded activities will be maintained and retained following the merger.

Student records, financial records, procurement records, and CSP grant documentation will be retained under ACI's consolidated records system, maintained with MAEF back-office support, for the retention periods required under applicable federal and state requirements. CSP records will be organized in a centralized electronic grant file indexed by award, fiscal year, procurement transaction, and asset identifier so that supporting documentation can be traced from the general ledger and inventory record back to the source file. Routine requests for CSP records will be routed through ACI's finance/federal-programs function, which will retrieve and produce the requested records electronically, ordinarily within five business days, subject to any shorter legal or audit deadline and applicable privacy restrictions. Access to confidential student or personnel information will remain role-based and controlled, while grant, procurement, and asset records will be available for Commission, ALSDE, auditor, or federal review upon request.

iv. Provide an inventory and description of any equipment, materials, curriculum, technology, or other assets acquired with CSP funds.	File name:	Attachment_Placeholder.pdf
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	Uploaded by:	Jeremiah Newell

v.If a CSP grant remains active at the time of the merger, provide a narrative on how the merger will not adversely affect the approved grant project and a plan for continuing grant activities.

A draft CSP continuation certification has now been prepared for ICI. It states that, if the grant remains active at merger, approved grant activities will continue without interruption under Alabama Career Institute using the same or functionally equivalent staff and facilities.

vi. For each school, provide a letter on school letterhead and signed by the governing board chair and school head of school/superintendent certifying that the merger will not be used to circumvent federal grant requirements, repayment obligations, audit findings, or other conditions associated with CSP.	File name:	Attachment_Placeholder.pdf
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	Uploaded by:	Jeremiah Newell

Element Review

Reviews is not provided

IV) Merger Information

A) Basic Information

Status: Completed

Form Result

- | | |
|---|---|
| i. Name of the merged school | Alabama Career Institute |
| ii. Physical address of the merged school | Country: USA
Street Name: 1414 2nd Avenue North
City: Bessemer
State: Alabama
Zip Code: 35020 |
| iii. Mailing address, if different than above | Country: USA |

iv. Provide the mission statement of the merged school.

Alabama Career Institute prepares students in grades 6 through 12 for college, career, and life through rigorous academics and authentic, industry-connected learning. Students explore high-demand fields in the middle grades and pursue advanced pathways in aerospace and aviation or health sciences in high school, with opportunities to earn credentials, participate in dual enrollment and work-based learning, and build the knowledge, skills, and professional habits required for successful postsecondary transitions.

v. Describe how the mission or vision of the affected schools aligns or fits into the mission or vision of the merged school.

The mission of Alabama Career Institute is intentionally built from the central commitments of both affected schools. AAHS contributes its focus on aerospace and aviation, industry-aligned technical learning, and career-connected preparation; ICI contributes its health sciences focus and planned grades 6 through 12 model. ACI brings those strengths into one mission centered on rigorous academics, early exploration, pathway specialization, industry credentials, dual enrollment, work-based learning, and successful transitions to college and high-demand careers. The merger therefore does not dilute either school's mission; it gives both missions a broader and more sustainable institutional home.

Element Review

Reviews is not provided

B) Recruitment and Enrollment

Status: Completed

Form Result

- | | |
|---|--|
| i. Give the grades served by the merged school, and a five-year enrollment plan for the merged school. Include both minimum and maximum enrollment levels for five years after merging. | Grade 6, Grade 7, Grade 8, Grade 9, Grade 10, Grade 11, Grade 12 |
|---|--|

File name: ACI_Five_Year_Minimum_and_Maximum_Enrollment_Projections_by_Grade.docx
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Uploaded by: Jeremiah Newell

ii. Describe any changes to the target student population. Address any target student populations from affected schools that are not target student populations for the merged school.

AAHS currently serves grades 9 through 12 only; ACI extends that model down to grade 6, adding a middle grades population neither school served independently. The combined school also serves both the East Birmingham community AAHS was originally built for and the Bessemer-area community ICI was built for, from a single campus location, which changes the geographic access picture for families in both communities.

iii. Describe any changes to recruitment and enrollment policies that will result from the merger.

ACI will operate one unified enrollment and lottery policy rather than two separate systems, consistent with Alabama charter school open-enrollment requirements. Current AAHS students, and students already accepted through ICI's approved enrollment process before the merger, are proposed to be treated as continuing students rather than being required to compete again for seats, subject to Commission confirmation. Recruitment for new seats will be coordinated across the combined school's service area, with particular emphasis on the new middle-grades entry points and on families in the Bessemer and East Birmingham communities that the predecessor schools were designed to serve. ACI will use direct family outreach, school and community information sessions, partner organizations, digital communications, and pathway-focused recruitment events to reach students who may not otherwise encounter a career-connected charter option. Recruitment materials will present Aerospace and Aviation and Health Sciences as equally available pathways within one open-enrollment school and will be monitored by geography and grade level so the board can identify underserved areas and adjust outreach before the lottery.

iv. How will students be recruited and transferred from an affected school to the merged school?

The draft Plan of Merger provides that the surviving entity will accept and enroll all current AAHS students at the effective time, subject to applicable capacity and Commission requirements, and that no student will be displaced or disadvantaged solely because of the merger. The application therefore proposes to treat current AAHS students, and students already accepted through ICI's approved enrollment process before the merger, as continuing students rather than requiring them to compete again for seats. New students beyond those groups will enroll through ACI's unified enrollment and lottery process once established. Student records will transfer to the surviving entity in compliance with FERPA and other applicable requirements.

Element Review

Reviews is not provided

C) Academic Program

Status: Completed

Form Result

i. How will the merger benefit students academically, both new students and students continuing from one of the merged schools?

Academically, the merger creates a more complete student pathway than either predecessor school could offer independently. Students in grades 6 through 8 will share a strong academic foundation while receiving structured exposure to aerospace and aviation and health sciences, allowing career

interests to develop before high-school specialization. In grades 9 through 12, students will pursue increasingly advanced pathway coursework alongside college-preparatory academics, with access to industry credentials, dual enrollment, work-based learning, and employer and postsecondary partnerships. Continuing AAHS students keep the aerospace program they chose while gaining access to a broader school community and a second pathway; incoming ICI students gain the planned health sciences program within an established operating school. The combined model is designed to increase both academic coherence and the range of meaningful postsecondary options available to students.

ii. For each affected school, describe the changes or impact on the academic program and academic offerings to students.

AAHS: The merger preserves the existing Aerospace Pathway in grades 9 through 12 and adds two significant opportunities: a grades 6 through 8 pipeline that introduces students earlier to career-connected learning, and an on-campus Health Sciences Pathway that expands the range of career fields available within the school. AAHS students therefore retain the program they selected while gaining broader electives, partnerships, and cross-pathway experiences. ICI: The planned Health Sciences Pathway remains a central component of the merged school's high-school program, but it will launch within an institution that already operates a career-connected model and will sit alongside Aerospace and Aviation as a second pathway. ICI students gain access to the combined school's middle-grades foundation, existing systems and partnerships, and an additional technical pathway without losing the health sciences program that motivated ICI's original design.

iii. For each affected school, describe the differences in the curriculum between the affected school and the merged school. Address the alignment with the Alabama state standards.

All ACI coursework will remain aligned to the Alabama Course of Study and other applicable state academic requirements. The Aerospace and Aviation and Health Sciences pathways will layer industry-aligned technical coursework, credentials, dual enrollment, and applied learning onto that common academic foundation. The principal curricular change is the creation of a shared grades 6 through 8 program that prepares students for either pathway through strong core instruction, career exploration, and age-appropriate applied learning. Across grades 6 through 12, ACI will use common pacing, assessment, intervention, and advisory expectations so students experience one coherent instructional program even as pathway content becomes increasingly specialized in high school.

iv. For each affected school, address the changes to the instructional design and teaching methods.

ACI will use a common instructional framework across both pathways so that students experience consistent expectations regardless of grade level or career focus. The framework combines explicit and direct instruction for foundational knowledge, differentiated instruction, project- and inquiry-based learning tied to authentic industry problems, Universal Design for Learning, technology-enhanced instruction, and structured intervention. The merger allows each school to contribute practices that strengthen the other: AAHS contributes its culture-building routines, dual-enrollment connections, apprenticeship and industry-based learning, and structured classroom practices, while ICI contributes its planned emphasis on UDL, explicit instruction, and a more developed three-tier MTSS structure. The result is a unified design that deliberately carries forward the strongest instructional features of both models rather than simply selecting one school's approach.

v. For each affected school, address the changes to the learning environment, class size and structure.

ACI intends to maintain class sizes generally consistent with AAHS's existing standard of no more than 1 teacher to 25 students per class section. The September 1, 2026 schematic programming prepared by CCR Architecture & Interiors gives that commitment a more concrete facility basis: standard classrooms are programmed at 650 square feet with a planning capacity of 24.5 students. The program includes dedicated science classrooms and two 1,100-square-foot science lab suites; a 1,300-square-foot maker space; a computer lab/CTE classroom; an aviation classroom and testing room; two 750-square-foot flight-simulation labs, including a RedBird motion-simulator lab and a basic desktop-simulator lab; and a dedicated Health Sciences/Vocational classroom. The general

program also includes secure check-in, administrative and counseling space, a 1,500-square-foot commons, and a cafeteria designed for approximately 200 seats. The current Health Sciences program identifies a dedicated instructional classroom, but the detailed clinical-simulation scope has not yet been finalized. ACI therefore will not represent specialized clinical laboratory space as complete until the final program, equipment plan, and code requirements are confirmed; if necessary, laboratory-dependent activities will be phased or delivered in an appropriately approved partner or temporary setting while core academic and non-laboratory health-sciences coursework proceeds. The permanent-campus concept is now at schematic design. CCR's September 1, 2026 program narrative places ACI on approximately 22 acres next to the Bessemer Municipal Airport and describes two two-story educational buildings, Building 1 at approximately 24,070 square feet and Building 2 at approximately 21,160 square feet, organized around an approximately 4,232-square-foot outdoor common area. Building 1 is planned to contain the cafeteria, kitchen, and most administrative offices; an elevator near the main entrance is planned for ADA access; the cafeteria is intended to support after-hours events; and a portion of the facility is planned to satisfy storm-shelter requirements. The architectural site plan depicts an approximately 45,230-square-foot two-story education building and notes the building at approximately 500 feet from the edge of the runway.

vi. For each affected school, address how the merger will affect programming for special populations. Identified populations include students with special needs, English Language Learners, students identified as intellectually gifted, and students at risk of withdrawal.

ACI will provide one coordinated system of identification, accommodation, intervention, and progress monitoring for students with disabilities, English learners, gifted students, and students at risk of withdrawal across all grades and both pathways. The combined model will use special education and Section 504 procedures, English learner supports, gifted identification and services, and a three-tier MTSS framework, with pathway planning that documents and carries required accommodations into technical courses, laboratories, work-based learning, and dual-enrollment settings. Consolidating these systems under one instructional leadership structure is intended to improve consistency, reduce fragmentation, and ensure that access to specialized career programming is not limited by a student's disability, language status, gifted identification, or need for intervention.

Element Review

Reviews is not provided

D) Further Effects of the Merger

Status: Completed

Form Result

i. How will the merger benefit students in ways other than academically, both new students and students continuing from one of the merged schools?

Beyond academics, the merger creates a fuller school experience. Students will be part of a larger grades 6 through 12 community with broader opportunities for clubs, athletics, career and technical student organizations, mentoring, leadership, and cross-pathway experiences. A larger partner network can also create more opportunities for job shadowing, internships, employer engagement, service learning, and exposure to postsecondary options. For current AAHS students, these additions expand the experience around an existing pathway; for incoming ICI students, they provide access to a functioning school community from the first day of operation.

ii. How will the merger improve the governing board capacity to govern the merged school?

The merger improves governing-board capacity by combining the full boards of Invictus and AAHS into a single eight-member governing body rather than retaining one board as the base and adding selected representatives. This preserves institutional continuity from both schools while bringing complementary expertise into one accountability structure. Invictus contributes healthcare opera-

tions, medical, community, and organizational leadership; AAHS contributes direct operating-school knowledge, aerospace and aviation, finance, real estate, project management, and student mentorship experience. The proposed officer structure places Col. Al Niles, Jr. as Chair, Andrew B. Loehr as Vice Chair, and Christopher Anderson as Treasurer, with the Secretary to be elected by the Board, all subject to final board action. The resulting board has substantially broader capacity to oversee the combined academic model, financial sustainability, facilities, compliance, and stakeholder transition than either predecessor board would have independently.

iii.How will the merger improve school operations?

The merger is expected to improve operations for both affected schools by replacing parallel administrative structures with one integrated operating platform. ACI will use one budgeting and accounting framework, one enrollment process, one human-resources structure, one compliance calendar, one procurement system, one records-management approach, and one set of board policies and reporting routines. This reduces duplicated work and creates clearer ownership of key functions while allowing leadership to direct more attention to instruction, student services, recruitment, pathway development, and partner relationships. The implementation plan will identify the system of record, responsible owner, conversion date, and reconciliation or verification step for each major function so that consolidation is controlled rather than merely assumed.

iv.How will the merger improve the financial position of the affected schools?

The merger is intended to address directly the financial sustainability concerns identified in AAHS's 2025 performance framework, which included negative days cash on hand and a negative net margin. The combined model replaces a single-pathway, grades 9 through 12 revenue base with a larger grades 6 through 12 enrollment platform serving two distinct career pathways, while consolidating governance, administration, back-office support, facilities planning, and student-support infrastructure. The current consolidated model is designed to restore positive operating performance and build cash over the projection period rather than perpetuate the conditions identified in the 2025 review. ICI likewise benefits by launching within an existing operating platform instead of carrying the full standalone cost of creating a second organization. This improvement is not assumed to eliminate all financial risk: the current base case still identifies FY2031 as a debt-service pressure point, so Phase 2 financing structure and timing remain an active mitigation item. The final five-year budget and cash-flow schedules will quantify the improvement in operating margin and liquidity relative to AAHS's historical position and will be updated as financing terms are finalized.

v.Provide a staffing chart for the merged school and describe how the merged school will retain sufficient staffing to implement the key design elements of the school's mission and vision.

ACI has prepared a draft staffing chart designed to preserve operating continuity while adding the capacity required for a grades 6 through 12, two-pathway school. Proposed executive leadership includes Ruben Morris as Chief Executive Officer; Jeremiah Newell as Chief School Financial Officer; and Ma'at Lands as Head of School. School leadership includes Porshia Allen as School Director for grades 9 through 12 and Regina Covington as Middle School Director for grades 6 through 8. Operations and support leadership includes Jasmine Cobb as Director of Operations, Jadarius Taylor as Director of Technology, and Lanessa Cannon as Family and Community Liaison. Current AAHS instructional leadership and staff are expected to continue in the same or comparable roles, including the Dean of Academic Success, Director of Student Success, school nurse, teaching faculty, child nutrition, transportation, and support personnel, while planned hires for Health Sciences and the expanded middle grades are added to this base. The staffing approach therefore treats the merger as a continuity-and-expansion model rather than a wholesale replacement of personnel.

Attachment – Staffing Chart	File name:	ACI_Staffing_Organiza- tion_Chart_and_Staffing_Detail.docx
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	Uploaded by:	Jeremiah Newell

vi. Provide the discipline policy for the merged school. In the narrative, describe if and how this policy is different than the discipline policy of each affected school. Include policies applicable to students with disabilities.

ACI's discipline framework will combine AAHS's operating-school experience with the middle-grades and MTSS design developed for ICI. The AAHS framework provides the base for clear expectations, structured classroom management, progressive responses, due-process procedures, and consistent implementation. For grades 6 through 8 and for students requiring additional behavioral support, ACI will layer in ICI's planned three-tier MTSS approach so that universal expectations are paired with targeted interventions, progress monitoring, family engagement, and individualized supports before exclusionary discipline is considered when appropriate. Students with disabilities will receive all procedural protections and individualized consideration required by IDEA and Section 504, including manifestation-determination and service-continuity requirements where applicable.

The draft Student Discipline Policy in Section 1 of the ACI Draft Policy Manual therefore does more than extend AAHS's policy to younger grades. It preserves AAHS's tested operating framework while incorporating the tiered support structure and age-appropriate intervention model contemplated in ICI's middle-grades design. The policy remains a working draft for board review and has not yet been adopted, but the intended post-merger model is a single discipline system that emphasizes consistent expectations, early intervention, escalating supports, student and family communication, and legally compliant responses for students with disabilities across grades 6 through 12.

Attachment – Discipline policy	File name:	ACI_Student_Discipline_Policy_Attachment.docx
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vii. For each affected school, describe the changes to co-curricular and extra-curricular programming. Describe how those programs will be funded and delivered post-merger.

AAHS's existing co-curricular offerings, including golf, track and field, and industry-affiliated student organizations, are expected to continue under ACI and be funded through the combined operating budget and philanthropic support consistent with applicable AHSAA requirements. The merger will also allow ACI to build a parallel set of Health Sciences and middle-grades activities rather than limiting extracurricular life to the existing aerospace-side offerings. The planned model includes health-sciences-aligned career and technical student organizations, service and leadership activities, pathway clubs, and cross-pathway student experiences, with final offerings determined by student interest, staffing capacity, applicable affiliation requirements, and the annual board-approved budget. The goal is one extracurricular program serving the full school, with pathway-specific opportunities layered onto common athletics, leadership, service, and student-life activities.

viii. Describe any additional anticipated impact on students not covered above.

The principal additional student impacts are the transition to a new school identity, a larger grades 6 through 12 community, unified policies and schedules, and, over time, relocation to the planned permanent campus. ACI will manage these changes through a defined student-transition program rather than relying on general communication alone. Before combined operations begin, students and families will participate in orientation and pathway-transition sessions; current AAHS students and incoming ICI students will be organized into transition cohorts with designated staff contacts; and ACI will establish a peer-ambassador/mentor structure to help students navigate the combined campus, pathways, schedules, and student-life expectations. Leadership will conduct structured student check-ins during the first 30, 60, and 90 days of combined operations and use attendance, discipline, academic, and student-feedback data to identify students needing additional support. Current students will retain continuity in their academic pathway and records while gaining access to the expanded opportunities of the combined school. The implementation objective is to make the merger feel to students like an expansion of opportunity, not a disruption of their education.

ix. Describe any impact of the proposed merger on:

- Accounting software;
- Administrative functions (front office and back office);

- Policy and procedure manuals;
- Food, transportation, and health services;
- Purchasing and contracting;
- Insurance; and
- Financial audits, including single audits.

Enter narrative here

The merger will move key operating functions into one coordinated system, with specific controls around the areas most susceptible to transition risk. For accounting and financial reporting, ACI will designate one system of record and will not cut over from a predecessor platform until chart-of-accounts mapping, opening balances, user access, and reconciliation testing are complete; the first post-merger monthly close will include a documented reconciliation back to the closing balance sheet. For payroll and benefits, employee data, service dates, deductions, and benefit elections will be tested before the first ACI payroll cycle and exceptions will be resolved through the HR transition log. For contracts and purchasing, every continuing lease and vendor agreement will be placed on the transfer schedule, reviewed for consent or termination requirements, and assigned a responsible owner before the Effective Time. For insurance, ACI will confirm that binders and endorsements cover the surviving entity, expanded grade span, facilities, employees, vehicles, and pathway-specific risks before operations transfer. Policy manuals will be reconciled into one board-approved ACI set; food, transportation, and health services will be contracted or assigned for the combined enrollment; and annual audit and, when applicable, single-audit responsibilities will move to the surviving entity. The Implementation Plan will identify for each function the current state, post-merger solution, owner, cutover date, required notice or consent, and verification evidence, so the operational transition is tested rather than assumed.

Element Review

Reviews is not provided

E) Challenges and Other Benefits

Status: Completed

Form Result

i. Identify any anticipated challenges resulting from the merger and describe how those challenges will be addressed.

ACI has identified the principal implementation challenges and is addressing them through defined transaction workstreams and conditions rather than assuming the merger itself resolves them. Counsel has prepared a draft Plan and Agreement of Merger that conditions closing on board approval, Commission approval, completion of required filings, disclosure of material liabilities, required third-party consents, and other closing conditions. The current draft also includes a proposed financial-condition safeguard under which AAHS must deliver a balance sheet shortly before closing demonstrating assets at least equal to liabilities, subject to final negotiation and board approval. Facility readiness and financing will be managed through defined decision points for the interim lease, renovation scope, permanent-campus financing, construction contracting, and relocation planning. Any related-party interest in a facility or service arrangement will be disclosed and handled through the board's conflict-of-interest process. Operational transition will be documented in a detailed implementation plan covering students, staff, educational programs, payroll and benefits, administrative consolidation, IT and records migration, community communications, and milestone dates. The parties will also complete vendor/contract diligence and obtain required assignment or change-of-control consents before treating material agreements as transferable. These safeguards are intended to reduce execution risk while preserving the educational benefits of the merger. Financial risk is concentrated in the planned facility financing rather than in the educational rationale for the merger. Under the current base case, FY2031 debt service coverage is projected at 1.026x

at target enrollment of 825 students, below the assumed 1.05x covenant floor, because the Phase 1 and Phase 2 facility loans reach full debt service in the same year. At 105% of target enrollment, projected DSCR is 1.262x; at 90% of target, projected DSCR falls to 0.555x. Management and the board will therefore evaluate the timing, sizing, amortization, reserves, capitalized interest, philanthropy, and other terms of any later facility financing before that obligation is incurred. The September 1, 2026 CCR schematic package now provides a more defined permanent-campus basis for that work. The architect's programming worksheet shows approximately 41,636 square feet of academic-building program area, applies a preliminary \$300-per-square-foot planning assumption of approximately \$12.49 million, and carries a \$2.0 million sitework allowance. Those amounts are schematic programming assumptions, not a final construction estimate or financing commitment.

ii. Identify any anticipated benefits of merging not addressed above.

The merger also creates value beyond the immediate combination of two academic pathways. ACI can present employers, postsecondary institutions, philanthropies, and community partners with one larger grades 6 through 12 platform through which to support career exploration, credentials, dual enrollment, internships, apprenticeships, and student transition to high-demand careers. Shared pathway infrastructure and a common partner strategy should make those relationships easier to coordinate and more valuable to students. For families, the combined model offers a longer-term school choice with multiple career pathways rather than requiring students to select a single field before they have had meaningful exposure to alternatives. For the broader community, ACI creates the potential for a more visible and durable career-connected institution linking secondary education directly to regional workforce needs.

Element Review

Reviews is not provided

V) Finances, Asset Management, Inventory Management

A) Budgetary Impact

Status: Completed

Form Result

i. Give a summary of the financial impact of the proposed merger. Explain any anticipated revenues or expenses and explain how the surviving entity will finance any additional costs.

The merger is expected to strengthen the combined school's long-term financial platform by pairing a broader grades 6 through 12 enrollment base with two distinct career pathways and by operating through one governance, administrative, and back-office structure. The current model projects 300 students in FY2028 and growth to approximately 825 to 1,000 students by FY2031 through FY2033. Revenue growth is expected to come principally from enrollment-based public funding, supplemented in the early years by philanthropy and other eligible start-up or grant support; expenses reflect the staffing, facilities, instructional, pathway, and administrative costs required to operate the expanded model. The merger also avoids the full duplication of leadership, accounting, compliance, facilities planning, and other administrative infrastructure that would exist if the two schools operated independently.

The latest interim financial information, however, reinforces that the merger must be executed with disciplined liability and liquidity planning. AAHS's ALSDE LEA Financial System report for Fiscal Period 10, through July 31, 2026, reports approximately \$251,989 of cash across reported funds and net receivables of approximately \$32,955, against approximately \$509,643 of reported claims payable and other liabilities, resulting in combined ending fund balance of approximately negative \$224,699. Year-to-date governmental-fund revenues were approximately \$2.441 million and expenditures approximately \$3.018 million, a deficit of approximately \$576,324. These fund-basis figures are not a GAAP closing balance sheet and do not include fixed assets or long-term pension/OPEB liabilities, but they make clear that current obligations, restricted versus unrestricted cash, payable cutoff, and liquidity at closing must be reconciled before the transaction is consummated.

The principal long-term modeled pressure remains facility debt service: under the current base case, both planned facility phases reach full debt service in FY2031, producing projected DSCR of 1.026x at target enrollment. ACI will therefore treat the structure and timing of Phase 2 financing as an implementation decision to be resolved before that obligation is incurred. The boards will also receive a Merger Value and Liability Resolution Schedule that distinguishes GAAP closing balances from broader economic value and separately identifies supported transferable/avoided-cost value, AAHS unrestricted cash and receivables, identified liabilities and reserves, and any additional unrestricted ICI resources proposed for closing. This approach is intended to demonstrate the economics of the transaction transparently without revaluing assets merely to offset liabilities. The permanent-campus design is also becoming more concrete. CCR Architecture & Interiors' September 1, 2026 schematic package locates the planned ACI campus at 3408 McClendon Chapel Road on approximately 22 acres adjacent to the Bessemer Municipal Airport. The concept organizes the school as two two-story educational buildings around a central outdoor commons, with specialized academic, CTE, aviation-simulation, science, dining, administrative, and student-support spaces. The airport-adjacent location directly supports continuity of AAHS's aerospace and aviation identity while providing program flexibility to add Health Sciences and the middle-grades model within one integrated campus. Because the documents are expressly marked schematic and preliminary, ACI will continue to validate capacity, phasing, specialty-space requirements, sitework, and total project cost before final financing and construction commitments are made.

ii. Provide a five-year budget projection for the merged school. **File name:** ACI_Current_Pro_Forma_Scenario_Re-freshed.xlsx

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iii. Provide a five-year cash-flow projection for the merged school. **File name:** ACI_Current_5-Year_Cash_Flow_Recon-ciled.xlsx

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iv. Describe the changes to the ALSDE cost center status of the schools prior to the merger, and after merging. Address any changes to the number of cost centers pre- and post- merger.

The AAHS cost center will be retired by ALSDE and all activity will operate under the ICI Cost Center.

Element Review

Reviews is not provided

B) Asset & Liability Transfer

Status: Completed

Form Result

i. Provide a plan that details the transfer of all assets and liabilities (both physical and monetary) of each nonprofit corporation or LEA being merged. This plan must specify that no liabilities are being avoided and no assets are removed through the merger. If merging nonprofit corporations, this plan must comply with applicable Alabama nonprofit corporation law. If not merging nonprofit corporations, provide a plan that details the transfer of all assets and liabilities to the surviving LEA. The Commission strongly recommends each merging entity consult legal counsel. Attach any files documenting the plan.

A detailed Asset, Liability, Contract and Restricted Funds Transfer Plan has been prepared for attachment to this application. The plan supplements the statutory transfer provisions in the Plan of Merger by establishing the procedure for identifying, reconciling, disclosing, and documenting all AAHS assets, liabilities, receivables, restricted funds, grants, contracts, leases, liens, employee-benefit obligations, and other commitments. The July 31, 2026 ALSDE financial package is now the latest interim control point for that process. It reports approximately \$284,944 of current fund assets and approximately \$509,643 of reported claims payable and other liabilities, for negative combined fund equity of approximately \$224,699. Those amounts will be reconciled at the account and vendor level and then bridged to the GAAP pre-closing balance sheet; they are not being treated as a substitute for the audited fixed-asset, pension, OPEB, or other long-term balances. The plan also includes a separate Merger Value and Liability Resolution Procedure that documents, with appraisal, invoice, contract, or market support as appropriate, the tangible and operational value ACI receives from AAHS while separately identifying the cash and unrestricted resources available to resolve liabilities. The analysis will not treat economic or avoided-cost value as a GAAP asset and will not be used to manufacture satisfaction of the Plan's financial-condition precedent. No liability is avoided and no asset is removed through the merger.

Attachments – Asset & Liability
Transfer Plan

File 1

File name: ACI_Asset_Liability_Contract_Restricted_Funds_Transfer_Plan_v3(2).docx
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Uploaded by: Jeremiah Newell

File 2

File name: AAHS_Invictus_Plan_of_Merger(111957835.5).docx
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ii. For each school merged, provide an inventory list of all real property valued at \$500 or more, the value of that property, and any restrictions on the property. In the narrative describe the process for transferring these assets to the new school.

Neither affected school currently owns real estate that must be conveyed as part of the merger. AAHS operates from leased premises, and ICI has not yet opened for instruction. Accordingly, the principal property requiring transfer consists of leasehold improvements and other capital assets rather than owned land or buildings. AAHS's FY2025 audited records identify approximately \$352,370 in net leasehold improvements and \$211,900 in net equipment and furniture. These balances will be reconciled for subsequent additions, disposals, restrictions, and liens through the Effective Date. The July 2026 interim financials also report \$180,000 of capital outlay and \$145,139.84 of capital-project expenditures, which Finance will trace to the final fixed-asset and leasehold-improvement schedules. ICI does not presently have identified owned real property requiring transfer. Any equipment, furniture, technology, or other assets acquired before the Effective Date, including assets acquired with CSP funds, will be added to the final inventory. CSP-funded property will remain subject to applicable federal grant and inventory-control requirements. Because ICI will be the surviving nonprofit corporation and will continue as Alabama Career Institute, Inc., property already owned by ICI will remain with the surviving legal entity.

Before closing, the schools will prepare a final item-level inventory of all applicable property valued at \$500 or more, identifying acquisition cost, net book value, location, funding source, restrictions, liens, and proposed disposition. AAHS-owned assets will transfer to ACI at the Effective Date subject to all applicable liens, grant restrictions, lease provisions, and third-party rights. Following closing, the inventory will be reconciled to ACI's opening fixed-asset register and accounting records.

Attachments – Real Property Inventory

File name: Attachment_Placeholder.pdf
Uploaded: 09/01/2026 05:45 PM
Uploaded by: Jeremiah Newell

iii. For each school merged, provide a list of any grants or donations that have been secured and are incoming to support the school. Describe how these grants and/or donations will be transferred to the new school. Also provide a narrative on how the grantor or donor will be informed of the merger and encouraged to support the merged school.

Alabama Aerospace and Aviation High School does not currently have any identified incoming grant or donation requiring transfer as part of the merger. Invictus Career Institute has secured a \$2.0 million Charter Schools Program grant supporting the development and launch of the school. Because ICI will be the surviving nonprofit corporation and will continue as Alabama Career Institute, Inc., the parties intend for the CSP-supported work and remaining grant funds to continue through the surviving entity, subject to all federal and state grant requirements and any approval required from the administering authority. Before the Effective Time, ICI will reconcile the grant award, expenditures, remaining balance, approved budget, grant-funded property, outstanding obligations, reporting requirements, and records. ACI will preserve all original grant restrictions, inventory controls, record-retention requirements, and compliance obligations. The school will provide direct written notice of the merger to the CSP administering authority, explain the continuing elements

of the approved ICI model, and obtain any required amendment, approval, or written confirmation necessary to maintain the award in good standing.

If AAHS or ICI secures any additional grant or donation before the merger becomes effective, the funding will be added to a consolidated transition schedule and transferred or continued in accordance with the applicable award agreement, donor restriction, and required consent procedures. Active grantors and donors will receive direct notice of the merger, confirmation that their restrictions and intended purposes will continue to be honored, and an invitation to continue or expand their support of Alabama Career Institute.

Attachment – Grants and donations	File name:	Attachment_Placeholder.pdf
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	Uploaded by:	Jeremiah Newell

iv. For each school merged, provide a narrative on how receivables or other incoming funds will be transferred to the new school upon the effective date of the merger.

Upon the Effective Date, all receivables and other incoming funds attributable to either affected school will be identified, documented, and reflected in Alabama Career Institute's opening accounting records. AAHS will prepare a final receivables schedule identifying each outstanding amount by payer, funding source, amount, restriction, expected collection date, and responsible party. Where permitted, payers will be instructed to remit future payments directly to ACI. Any AAHS-related funds received after the Effective Date through a legacy bank account or payment channel will be promptly transferred to ACI with the original fund and restriction designation preserved.

Because ICI will be the surviving nonprofit corporation and will continue as Alabama Career Institute, Inc., receivables payable to ICI generally will remain with the surviving entity. ICI will nevertheless reconcile all outstanding receivables, including any CSP reimbursements, to ACI's opening records and will complete any required changes to payee information, banking instructions, or grant documentation.

Restricted receivables and incoming funds will remain restricted for their original purposes and will not be converted to unrestricted use by the merger. The final receivables schedules will be reconciled to each school's pre-closing balance sheet and to ACI's post-merger opening records, and unresolved items will remain on the transition schedule until collected or otherwise resolved.

v. For each school merged, provide a list of all loans, debts or other obligations. Describe how these obligations will be transferred to the merged school.

AAHS currently maintains a \$100,000 line-of-credit facility that is undrawn, with a \$0 outstanding balance, but remains secured by school assets. Before the Effective Date, AAHS will obtain lender consent to assignment or assumption by ACI or documentation terminating the facility and releasing the related security interest. AAHS also has ordinary-course accounts payable, accrued expenses, employee-benefit obligations, and other liabilities that will be reconciled before closing. The July 31, 2026 interim financial package reported approximately \$509,643 of claims payable and other liabilities; Finance will reconcile these amounts at the vendor and account level to determine the final obligations outstanding at the Effective Date.

ICI has no identified outstanding loan or funded debt requiring transfer based on information presently available. Because ICI will be the surviving nonprofit corporation and will continue as Alabama Career Institute, Inc., any valid ICI obligation outstanding at the Effective Date will remain an obligation of the surviving entity.

Before closing, the schools will prepare a consolidated Debt and Obligations Schedule identifying all loans, accounts payable, accrued liabilities, liens, contingent obligations, and other amounts owed. AAHS obligations will either be satisfied before closing or assumed or otherwise resolved by ACI, subject to applicable creditor-consent requirements. No valid liability will be avoided through the merger. The final schedules will be reconciled to the schools' pre-closing financial statements and ACI's opening balance sheet.

Attachment – Loans and debts. **File name:** Attachment_Placeholder.pdf
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vi. For each merged school, describe how other post-employment benefits (OPEB) obligations and liabilities will be transferred to the new school.

AAHS does carry retirement-related obligations relevant to this question. Per AAHS's audited financial statements for the fiscal year ended September 30, 2025, AAHS reports a net OPEB liability (PEEHIP) of \$1,341,235 and a net pension liability (TRS) of \$2,263,000. Both are intended to transfer to the surviving entity, which becomes successor employer of record with TRS and PEEHIP. The schools will coordinate with TRS for the transfer.

vii. For each school merged, provide a list of all leases or contracts whose end date extends beyond the effective date of the merger. Include the name, service provided, and ending contract date. In the narrative, provide a plan to end the lease or contract early or transfer the contract to the surviving nonprofit. Include any costs associated with ending a contract early.

AAHS and ICI will complete a final inventory of every lease and contract extending beyond the Effective Date. The current known agreements requiring transition review include the AAHS facility lease, PowerSchool and Harris/Computer Software Innovations software agreements, MAEF services agreements for both schools, the executive services agreement between AAHS and ICI, and any modular classroom, renovation, design, engineering, or construction agreements in effect at closing. The final schedule will identify the counterparty, service provided, contract term and end date, annual or remaining cost, assignment requirements, termination rights, early-termination costs, and proposed disposition.

Contracts necessary to the operation of the merged school will be assigned, amended, or continued in the name of Alabama Career Institute where permitted and with any required counterparty consent. Agreements that become duplicative because of the merger will be terminated or superseded, including through consolidation into a single ACI services agreement where appropriate. Because ICI is the surviving nonprofit corporation, agreements already entered into by ICI generally will remain obligations of the surviving legal entity, subject to any contractual notice, consent, or name-change requirements.

No agreement will be represented as terminated without cost until the governing contract has been reviewed. Any early-termination charge, remaining payment obligation, non-refundable amount, non-cancellable commitment, or transition expense will be identified on the final contract schedule and reflected in the closing liability reconciliation. The schools will complete this contract and lease inventory during merger diligence and obtain all material consents before the Effective Date.

Attachment – Contracts & Leases **File name:** Attachment_Placeholder.pdf
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Element Review

Reviews is not provided

C) Audits, Record Keeping, Policies and Procedures

Status: Completed

Form Result

i. For each school merged, provide the most recent two financial audits. If applicable, include any corrective action plans addressing audit findings for the past two years.

File 1	
File name:	1.9 ALAAHS 9.30.2024 Financial State-ments - Audit.pdf
Uploaded:	09/01/2026 05:53 PM
Uploaded by:	Jeremiah Newell

File 2	
File name:	ALAAHS 9.30.2025 Financial State-ments.pdf
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Uploaded by:	Jeremiah Newell

ii. Provide a copy of the most recent management letter received by each school from its independent auditor, along with documentation of steps taken to resolve each deficiency raised in the letter.

File name:	ALAAHS 9.30.2025 SAS 114 Letter.pdf
Uploaded:	09/01/2026 05:53 PM
Uploaded by:	Jeremiah Newell

iii. Provide a plan for keeping all relevant financial records of affected schools post-merger. Financial records for both founding schools will be retained under ACI's consolidated records system, maintained with MAEF back-office support, for the retention periods required under applicable state and federal requirements, with legacy AAHS and ICI records preserved rather than discarded at the point of merger.

iv. Provide the financial policies and procedures of the new school.	File name:	ACI_Financial_Policies_and_Proce-dures.docx
	Uploaded:	09/01/2026 05:53 PM
	Uploaded by:	Jeremiah Newell

Element Review
Reviews is not provided

VI) Signature Page

Status: Completed

Form Result

By our signatures below, we hereby certify that the governing body of each charter school identified herein has approved the submission of this merger application. We understand that a merger is not effective until the Commission approves the merger and all required filings have been made with the Alabama Secretary of State (if applicable) and the ALSDE. We further understand that upon approval by the Commission, a new charter contract or charter contract amendment must be executed for the merger to be effective.

Digital Signature



Element Review
Reviews is not provided

