

SENATE FILE NO. SF0173

Educational bankruptcy act.

Sponsored by: Senator(s) Scott

A BILL

for

1 AN ACT relating to education; creating the educational
2 bankruptcy act; establishing a cause of action for
3 educational bankruptcy; specifying requirements to petition
4 for educational bankruptcy; specifying duties of the state
5 superintendent of public instruction; authorizing parents
6 and guardians to petition for educational bankruptcy;
7 specifying duties of the district court; providing for the
8 appointment of educational bankruptcy trustees; specifying
9 conditions for dismissal or release of jurisdiction in
10 educational bankruptcy; modifying teacher certification;
11 and providing for an effective date.

12

13 *Be It Enacted by the Legislature of the State of Wyoming:*

14

15 **Section 1.** W.S. 21-2-1001 through 21-2-1003 are
16 created to read:

1

2

ARTICLE 10

3

EDUCATIONAL BANKRUPTCY

4

5 **21-2-1001. Educational bankruptcy act.**

6

7 This act may be cited as the "Wyoming Educational
8 Bankruptcy Act."

9

10 **21-2-1002. Petition for educational bankruptcy;**
11 **school district eligibility; duties of the state**
12 **superintendent of public instruction.**

13

14 (a) Effective May 1, 2027, the state superintendent
15 of public instruction may petition the district court in
16 the county in which a school district is located to make a
17 determination that the school district is educationally
18 bankrupt under this act if the school district meets all of
19 the following criteria in two (2) of the last three (3)
20 school years if the school district has a student
21 enrollment of more than eight hundred (800) students or in
22 three (3) of the last four (4) school years if the school

1 district has a student enrollment of eight hundred (800)
2 students or less:

3

4 (i) Sixty percent (60%) or more of grade three
5 (3) students enrolled in the school district score basic or
6 below basic on the English language arts portion of the
7 statewide assessment administered pursuant to W.S.
8 21-2-304(a)(v);

9

10 (ii) Fifty percent (50%) or more of grade eight
11 (8) students enrolled in the school district score basic or
12 below basic on the mathematics portion of the statewide
13 assessment administered pursuant to W.S. 21-2-304(a)(v);

14

15 (iii) Twenty-five percent (25%) or more of grade
16 ten (10) students enrolled in the school district score
17 below basic on the English language arts, mathematics and
18 science portions of the statewide assessment administered
19 pursuant to W.S. 21-2-304(a)(v).

20

21 (b) Effective May 1, 2027, with the support of twelve
22 and one half percent (12.5%) or more of the students
23 enrolled in a school district as evidenced by the written

1 signatures of the students' parent or guardian, any parent
2 or guardian of a student attending a public school in this
3 state may petition the district court in the county in
4 which a school district is located to make a determination
5 that the school district is educationally bankrupt under
6 this act if the school district meets the criteria
7 specified in subsection (a) of this section. For purposes
8 of demonstrating the parental and guardian support required
9 by this subsection, the signatures shall be obtained
10 between March 1 and May 1 and any petition filed under this
11 subsection shall be filed not later than May 1 in the year
12 the signatures were collected. Any parent or guardian that
13 files a petition with the district court under this
14 subsection, shall send a certified copy of the petition to
15 the state superintendent of public instruction and the
16 school district at issue within ten (10) business days of
17 filing with the district court. The state superintendent
18 may file a petition to intervene as a party to the
19 proceeding.

20

21 (c) In determining the application of subsection (a)
22 of this section, students with disabilities as identified
23 under the federal Individuals with Disabilities Education

1 Act, 20 U.S.C. § 1400 et seq., taking an alternative
2 assessment in accordance with an individual education plan
3 shall be excluded from the calculations.

4

5 (d) For school districts with participation rates on
6 any portion of the statewide assessment administered
7 pursuant to W.S. 21-2-304(a)(v) that are less than ninety
8 percent (90%) of the total students enrolled in the school
9 district, the district court, in consultation with the
10 state superintendent of public instruction, may consider a
11 portion of students who do not participate in the statewide
12 assessment as scoring basic or below basic for determining
13 the application of subsection (a) of this section.

14

15 (e) The state superintendent of public instruction
16 shall consider all of the following in determining whether
17 to petition the district court under subsection (a) of this
18 section:

19

20 (i) The academic benefit to the students
21 enrolled in the school district by placing the school
22 district in educational bankruptcy;

23

1 (ii) The negative implications for the students
2 enrolled in the school district by placing the school
3 district in educational bankruptcy;

4

5 (iii) Cultural factors that may impact the
6 effectiveness of educational bankruptcy and that may impact
7 student performance on the statewide assessment
8 administered pursuant to W.S. 21-2-304(a)(v);

9

10 (iv) Actions taken by the school district to
11 improve student performance on the statewide assessment
12 administered pursuant to W.S. 21-2-304(a)(v).

13

14 (f) The state superintendent of public instruction
15 shall post publicly on the Wyoming department of
16 education's website a list of school districts that meet
17 one (1) or more of the criteria in paragraphs (a)(i)
18 through (iii) of this section.

19

20 (g) Not later than December 1, 2025, and not later
21 than each December 1 thereafter, the state superintendent
22 of public instruction shall report the number of school
23 districts that qualify for educational bankruptcy pursuant

1 to subsection (a) of this section and make recommendations
2 to the joint education interim committee, including, but
3 not limited to, whether the limitation on the number of
4 school districts that may be placed in educational
5 bankruptcy pursuant to W.S. 21-2-1003(h) should be
6 modified. The joint education interim committee shall
7 report its recommendations, if any, to the legislature
8 during the immediately succeeding legislative session.

9

10 (h) The state superintendent of public instruction
11 shall promulgate rules necessary to administer this
12 section.

13

14 **21-2-1003. Duties of the district court in**
15 **educational bankruptcies.**

16

17 (a) The district court shall consider petitions filed
18 pursuant to W.S. 21-2-1002 in date order based on the
19 filing date of the petition. The district court shall hold
20 a hearing to determine if placing the school district in
21 educational bankruptcy is in the best interest of the
22 students enrolled in the school district.

23

1 (b) Upon finding educational bankruptcy is in the
2 best interest of the students enrolled in the qualified
3 school, the district court shall appoint a trustee to
4 manage the school district.

5

6 (c) The trustee appointed under subsection (b) of
7 this section shall have the following duties and authority:

8

9 (i) Shall request input on improvement of
10 student performance and management of the school district
11 from the state superintendent and the local board of
12 trustees;

13

14 (ii) Shall remove the school district
15 superintendent from his position;

16

17 (iii) Shall remove the authority of the school
18 district board of trustees to manage the school district,
19 making the board of trustees an advisory board to the
20 appointed trustee;

21

22 (iv) May remove any other administrators or
23 school principals from their positions;

1

2 (v) May appoint an independent advisory board.

3

4 (d) Any decision of the trustee shall be considered a
5 final decision which may be appealed to the district court.

6 The court may, on application or on its own motion, stay
7 the decision of the trustee pending appeal.

8

9 (e) Notwithstanding any other provision of this act,
10 where Indian children, as defined by W.S. 14-6-702(a)(iv),
11 comprise at least fifty percent (50%) of the school
12 district's enrollment, the tribal business council shall
13 have the right to intervene as a party in a petition for
14 educational bankruptcy and provide a plan for improvement.
15 The trustee and the district court shall give deference to
16 the plan submitted by the tribal council in accordance with
17 this subsection.

18

19 (f) The district court shall release a school
20 district from educational bankruptcy if, at the end of the
21 school year, less than fifty percent (50%) of grade three
22 (3) students enrolled in the school district score basic or
23 below basic on the English language arts portion of the

1 statewide assessment administered pursuant to W.S.
2 21-2-304(a)(v), and one (1) of the following conditions is
3 met:

4

5 (i) Less than forty percent (40%) of grade eight
6 (8) students enrolled in the school district score basic or
7 below basic on the mathematics portion of the statewide
8 assessment administered pursuant to W.S. 21-2-304(a)(v);

9

10 (ii) Less than twenty percent (20%) of grade ten
11 (10) students enrolled in the school district score below
12 basic on the English language arts, mathematics and science
13 portions of the statewide assessment administered pursuant
14 to W.S. 21-2-304(a)(v). Each portion of the statewide
15 assessment shall be considered individually under this
16 paragraph.

17

18 (g) If after six (6) years of a school district being
19 in educational bankruptcy and under the supervision of a
20 trustee appointed under subsection (b) of this section, a
21 school district does not meet the criteria contained in
22 subsection (f) of this section, the state superintendent of
23 public instruction or the school district's board of

1 trustees may petition the district court to release the
2 school district from educational bankruptcy. Upon a
3 petition filed under this subsection, the district court
4 shall release the school district from educational
5 bankruptcy upon finding continuation of educational
6 bankruptcy under the appointed trustee will not result in
7 academic improvement in the school district.

8

9 (h) In no event shall the number of school districts
10 found to be educationally bankrupt under this section
11 exceed six (6) school districts statewide and no more than
12 three (3) school districts per year shall be found to be
13 educationally bankrupt statewide.

14

15 **Section 2.** W.S. 21-2-304(a)(v) by creating a new
16 subparagraph (M) and 21-2-802 by creating a new subsection
17 (n) are amended to read:

18

19 **21-2-304. Duties of the state board of education.**

20

21 (a) The state board of education shall:

22

1 (v) Through the state superintendent and in
2 consultation and coordination with local school districts,
3 implement a statewide assessment system comprised of a
4 coherent system of measures that when combined, provide a
5 reliable and valid measure of individual student
6 achievement for each public school and school district
7 within the state, and the performance of the state as a
8 whole. Statewide assessment system components shall be in
9 accordance with requirements of the statewide education
10 accountability system pursuant to W.S. 21-2-204.
11 Improvement of teaching and learning in schools, attaining
12 student achievement targets for performance indicators
13 established under W.S. 21-2-204 and fostering school
14 program improvement shall be the primary purposes of
15 statewide assessment of student performance in Wyoming.
16 The statewide assessment system shall:

17
18 (M) Effective school year 2026-2027, and
19 each school year thereafter, not be modified in a manner
20 that would substantially affect assessment results used for
21 the purposes of W.S. 21-2-1002. In even numbered years, the
22 joint education interim committee may sponsor legislation

1 for submission at the following general session to
2 authorize modification of the statewide assessment.

3

4 **21-2-802. Powers and duties; teacher certification;**
5 **suspension and revocation; certification fees; disposition**
6 **of collected fees; required data submissions to department**
7 **of education.**

8

9 (n) The board may revoke, suspend, deny or refuse to
10 renew certification for engaging in fraud, cheating or
11 unfair practices, committed after July 1, 2025, in
12 assisting students on the statewide assessment, required
13 pursuant to W.S. 21-2-304(a)(v), upon its own motion or
14 upon the petition of any local board of trustees. No
15 certificate shall be revoked or suspended under this
16 subsection without a hearing conducted in accordance with
17 the Wyoming Administrative Procedure Act, unless the person
18 holding the certification waives the right to a hearing.

19

1 **Section 3.** This act is effective immediately upon
2 completion of all acts necessary for a bill to become law
3 as provided by Article 4, Section 8 of the Wyoming
4 Constitution.

5

6

(END)