

FISCAL NOTE

INTERSTATE COMMISSION

The proposed Interstate Compact for the Placement of Children provides a solid legal framework for ensuring the timely placement of children across state lines, the suitability of prospective families, and the provision of needed support services. The Interstate Commission (IC) is the body of the collective member states that will develop the process, procedures and rules for administration of the compact and enforce compact compliance.

The Interstate Commission (IC) created by the Compact, pursuant to Article IX, has the authority, subject to the agreement of the member states, to structure an operating budget at a funding level it deems adequate to carry out the duties of the IC. This means that the member states determine the budget and staffing needs of the IC. It is important to note that states are protected from unauthorized spending (Article XIII, Financing of the Commission). The Interstate Commission may not incur obligations prior to securing adequate funding nor may they pledge the credit of any of the signatory states, except by and with the authority of the states that are party to the compact.

Actual costs per state will not be known until the compact is enacted by at least 35 states and the Interstate Commission, by vote of member states, has adopted an equitable assessment structure. In addition, the member states will need to determine where the staff of the Interstate Commission will be housed. Until these decisions can be made, however, an interim budget projection to help states better prepare for their financial obligations and to allow them to begin planning for enhanced compact support has been developed. This fiscal information represents an informed, good faith estimate of projected operating costs and a fair allocation plan based on cost data from the Council of State Governments (CSG), which is supporting the implementation of number of similar compacts. It is estimated that the work to organize and operate the IC the first year will cost approximately \$500,000. Approximately, twenty-five percent of the total estimated budget is dedicated to costs of bringing the member states together to develop the foundational rules, by-laws, and other organizational tools for the operation of the IC. Each member state will share in the allocation of these costs.

Please note that member states (through their voting representative to the Interstate Commission) will approve an actual budget and state assessment structure as part of their initial commission activities, just as they will do annually in succeeding years. Member states may choose to decrease or increase the budget and to alter the allocation formula.

Dues Allocation Per State

The operating budget for the Interstate Commission would be allocated among the member states through an annual state assessment. Such an assessment would cover the costs of internal operations and activities of the IC and its staff, as budgeted by the commission. The IC may

consider other factors for allocation of dues such as population of each state or the volume of interstate movement of children between states.

If dues were allocated equally among states, assuming participation by a minimum of 35 and a maximum of 54 jurisdictions, the additional cost per state for funding the IC is between \$9,000 – \$14,000.

COMPACT ADMINISTRATION

Each state needs to consider what, if any, budget appropriations will be necessary to support compact administration in order to comply with current and future compact demands. The state's ability to collect and provide pertinent interstate data and its ability to ensure coordination among all branches of government are crucial to their participation in, and compliance with the compact.