1-2025 Compliance Fee Assessment Policy
Issues: Pending Approval

I. Authority

The Executive Committee is vested with the power to act on behalf of the Commission during periods when the Interstate Commission is not in session. The Executive Committee oversees the day-to-day activities managed by the Executive Director. *Compact Article IX of the Interstate Compact on Educational Opportunity for Military Children and Compact Rule Chapter 700* provides the Commission with the authority to establish requirements from each state signatory of the Compact.

II. Applicability

This policy applies to signatory states to the Interstate Compact for Educational Opportunity for Military Children and Commissioners appointed to represent those states to the national Commission.

Upon passage, the policy will take effect on January 1, 2026.

III. Governance

A. Article XIV *Financing of the Interstate Commission* established the authority for the Commission to determine a formula to establish dues to be paid by each signatory state to the Compact.

B. Compact Article X *Powers and Duties of the Interstate Commission* of the Interstate Compact state in part *"promulgate rules and take all necessary actions to effect the foals, purposes and obligations as enumerated in this compact."*

C. *Article* XIII Oversight, Enforcement, and Dispute Resolution D. Enforcement *"The Interstate Commission, in the reasonable discretion, shall enforce the provisions and rules of this compact"* as set forth in Article XIII and Compact Rules Chapter 700

D. Rule SEC. 7.103 *Enforcement Actions Against a Defaulting State "If the Interstate Commission determines that any State has at any time defaulted ('defaulting State') in the performance of any of its obligations or responsibilities under this Compact, the by-laws or any duly promulgated rules the Interstate Commission may impose any or all of the following penalties:*

> *(1) Damages or costs in such amounts as are deemed to be reasonable as fixed by the Interstate Commission;*
>
> *(2) Remedial training and technical assistance as directed by the Interstate Commission;*
>
> *(3) Suspension and termination of membership in the compact. Suspension shall be imposed only after all other reasonable means of securing compliance under the by- laws and rules have been exhausted. Immediate notice of suspension shall be given by the Interstate Commission to the governor, the chief justice or*

chief judicial officer of the State, the majority and minority leaders of the defaulting State's legislature, and the State Council."

E. Assessment

1) Rule Chapter 700, SEC. 7.103 Enforcement Actions Against a Defaulting State establishes the Commission's authority to impost a penalty against a member state(s) that has defaulted in the performance of its obligations and responsibilities under this Compact.
2) Under SEC. 7.103(a)(1) "*Damages or costs in such amounts as are deemed to be reasonable as fixed by the Interstate Commission.*"
3) As authorized by the Executive Committee, fees will be assessed based on a flat rate fee as established in H. Assessment Table.
4) The Compliance Committee reserves the right to review the assessment fee and formula periodically and adjust accordingly to reflect changes in the Commission's administrative or legal costs associated with compliance under the Compact.

F. Enforcement

1) Annual State Dues
   i. Members states shall be invoiced for the annual dues before the beginning of the state's fiscal year.
   ii. If a member state has not paid its annual dues within thirty (30) days of the June 30 deadline. The national office will send a written reminder to the Commissioner and payment authority. In the event a member state fails to remit payment within 30 days of the June 30 deadline, a compliance fee will be assessed against the member state for 50% of the administrative and/or legal fees incurred by the Commission, as defined in *H. Assessment Table*.
   iii. If a member state has not paid its annual dues within the ninety (90) days of the start of the Commission's new fiscal year, the national office will send a written delinquency notice to the Commissioner, appointing, and payment authority by email/registered mail.
   iv. If a member state has not paid its annual dues within one hundred twenty (120) days of the start of the Commission's fiscal year, the Executive Director will refer the matter to the Compliance Committee for enforcement action.

2) Annual Paperwork Deadlines
   i. Rule SEC. 8.101 *Coordination Between States and Commission* member states shall appoint a Compact Commissioner, hold an annual state council meeting, and submit an end-of-year report.
   ii. If a member state has not submitted the required annual paperwork within thirty (30) days of the June 30 deadline. The national office will send a written reminder to the Commissioner and appointing authority. In the event a member state fails to remit documentation within 30 days of the June 30 deadline, a compliance fee will be assessed against the member state for

50% of the administrative and/or legal fees incurred by the Commission, as defined in *H. Assessment Table*.

iii. If a member state has not submitted the required annual paperwork within the ninety (90) days of the start of the Commission's new fiscal year, the national office will send a written delinquency notice to the Commissioner, appointing, and payment authority by email/registered mail.

iv. If a member state has not submitted the required annual paperwork within one hundred twenty (120) days of the start of the Commission's fiscal year, the Executive Director will refer the matter to the Compliance Committee for enforcement action.

G. Request for Extension, Appeals, and Determination of Assessment

1) The member state, through the Commissioner, may request an extension of the deadline by submitting a written request to the Executive Director prior to the annual dues or paperwork deadline.
2) If the Executive Director denies the request for an extension, the requesting Commissioner can submit a written appeal to the Compliance Committee for review.
3) Any discrepancies will be referred to the Compliance Committee for review and determination.
4) Determination of Assessment
    i. Upon referral for enforcement action, the Compliance Committee will consider the state's historical compliance record in addition to any known factors that may be beyond the state's control (e.g., failure of the state's legislature to convene or government shutdown). Based on this analysis, the Compliance Committee will make a recommendation to the Executive Committee, detailing the factors taken into account in determining the appropriate fee.
    ii. After receiving the Compliance Committee's recommendation, the Executive Committee has the discretion to adjust the fee assessment based on relevant factors, such as but not limited to Commission or personnel time, complexity, and legal fees.

H. Assessment Table

Item	**FY24 Total Cost to Collect**	**Fee**
Commissioner Appointment	$2,298	$1,100*
Code of Conflict Form	$1,351	$700 *
Conflict of Interest Form	$1,351	$700*
End of Year Report	$1,027	$500*
Annual State Council Meeting	$1,075	$500*
State Dues Payment	$1,603	$800*

**Additional administrative and/or legal fees may be assessed as appropriate*

Initial Review: March 11, 2025
Finance Amended/Approved: May 28, 2025
Compliance Approved: July 8, 2025