The Department of Defense has sought to support the development of interstate compacts as a mechanism for ensuring the professional licenses of military spouses are easily portable. In September 2020, the Department of Defense entered into a cooperative agreement with The Council of State Governments to fund the creation of new interstate compacts designed to strengthen occupational licensing portability. In collaboration with the Department of Defense, CSG developed and administered a competitive application process to select professions for compact development in 2022. Eligible applicants included associations of professionals, associations or federations of state licensing boards, coalitions of state licensing boards and national credentialing bodies for professions licensed in at least 30 states.

In fall 2022, the Department of Defense and CSG announced the selection of School Psychologists as one of the second-round professions, partnering with the National Association of School Psychologists (NASP) as the partner organization. To develop recommendations guiding the drafting of the Interstate Compact for School Psychologists (ICSP), CSG and NASP brought together a Technical Assistance Group made up of legislators, state education department officials, school district representatives, members of professional associations, licensed school psychologists, preparation programs, and other interested stakeholders. The group met over the course of several months to determine the needs of the profession and the model needed for teacher mobility patterns and licensure systems. A separate drafting team transitioned the recommendations and model from the Technical Assistance Group into a full draft of the ICSP model legislation.

To gather public comment on the draft legislation, CSG managed a stakeholder review process during the Summer of 2023. This included holding virtual presentations open to the public, walking through the draft legislation. CSG and NASP also held individual convenings to present the compact to interested stakeholder groups. Lastly, CSG hosted a website with the draft legislation, informational materials, and a survey for anybody to submit feedback. After gathering responses, CSG reconvened the drafting team to discuss and make changes, leading to a final draft.

Other groups involved in the development of the ICSP Model Language are listed below. Please note that appearing on this list does not constitute endorsement of the ICSP.

- The National Association of State Directors of Teacher Education and Credentialing
- The National Association of State Directors of Special Education
- The Association of State and Provincial Psychology Boards
- The Council of Administrators for Special Education
- RespectED
- Presence Learning
- United States Department of Defense Education Activity