

.....  
(Original Signature of Member)

119TH CONGRESS  
1ST SESSION

**H. R.** \_\_\_\_\_

To amend part A of title IV of the Social Security Act to establish deadlines for the obligation and expenditure of funds and allow States to establish rainy day funds under the program of block grants to States for temporary assistance for needy families.

\_\_\_\_\_  
IN THE HOUSE OF REPRESENTATIVES

Mr. CAREY introduced the following bill; which was referred to the Committee on \_\_\_\_\_

\_\_\_\_\_  
**A BILL**

To amend part A of title IV of the Social Security Act to establish deadlines for the obligation and expenditure of funds and allow States to establish rainy day funds under the program of block grants to States for temporary assistance for needy families.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Improve Transparency  
5 and Stability for Families and Children Act”.

1 **SEC. 2. DEADLINES FOR THE OBLIGATION AND EXPENDI-**  
2 **TURE OF FUNDS.**

3 (a) IN GENERAL.—Section 404(e) of the Social Secu-  
4 rity Act (42 U.S.C. 604(e)) is amended to read as follows:

5 “(e) DEADLINES FOR OBLIGATION AND EXPENDI-  
6 TURE OF FUNDS BY STATES.—

7 “(1) IN GENERAL.—Except as provided in para-  
8 graph (2), a State to which funds are paid, after the  
9 effective date of this subsection, under section  
10 403(a)(1) for a fiscal year shall obligate the funds  
11 not later than the end of the succeeding fiscal year,  
12 and shall expend the funds not later than the end  
13 of the 2nd succeeding fiscal year.

14 “(2) EXCEPTION FOR LIMITED AMOUNT OF  
15 FUNDS SET ASIDE FOR FUTURE USE.—

16 “(A) IN GENERAL.—Notwithstanding para-  
17 graph (1) of this subsection, a State to which  
18 funds are paid under section 403(a)(1), after  
19 the effective date of this subsection, for a fiscal  
20 year may reserve not more than 15 percent of  
21 the funds for future use in the State program  
22 funded under this part, subject to subparagraph  
23 (B) of this paragraph.

24 “(B) LIMITATION.—The total amount held  
25 in reserve by a State under subparagraph (A)  
26 of this paragraph shall not exceed an amount

1 equal to 50 percent of the total amount paid to  
2 the State under section 403(a)(1) for the then  
3 preceding fiscal year.

4 “(C) NOTICE OF INTENT TO RESERVE  
5 FUNDS.—A State that intends to reserve funds  
6 under subparagraph (A) shall notify the Sec-  
7 retary of the intention not later than the end of  
8 the period in which the funds are available for  
9 obligation without regard to subparagraph (A)  
10 of this paragraph.”.

11 (b) EFFECTIVE DATE.—The amendment made by  
12 subsection (a) shall take effect on October 1, 2026.