

July 11, 2025

The Honorable Shelly Moore Capito
Chair
Subcommittee on Labor, Health and Human
Services, Education and Related Agencies
Senate Committee on Appropriations
United States Senate
Washington, DC 20510

The Honorable Tammy Baldwin
Ranking Member
Subcommittee on Labor, Health and Human
Services, Education and Related Agencies
Senate Committee on Appropriations
United States Senate
Washington, DC 20510

The Honorable Robert Aderholt
Chair
Subcommittee on Labor, Health and Human
Services, Education, and Related Agencies
House Committee on Appropriations
United States House of Representatives
Washington, DC 20515

The Honorable Rosa DeLauro
Ranking Member
Subcommittee on Labor, Health and Human
Services, Education, and Related Agencies
House Committee on Appropriations
United States House of Representatives
Washington, DC 20515

***Subject: FY26 Funding Request for the Reentry Employment Opportunities (REO) Program
at DOL's Employment and Training Administration***

Dear Chairwoman Capito, Chairman Aderholt, and Ranking Members Baldwin and DeLauro:

The undersigned workforce development, reentry, and faith- and community-based organizations respectfully urge Congress ***to allocate and protect \$115 million for the Reentry Employment Opportunities (REO) program within the Department of Labor's Employment & Training Administration*** in the FY26 Labor, Health and Human Services, Education, and Related Agencies (LHHS) appropriations bill. The REO program, authorized under Section 169 of the Workforce Investment and Opportunity Act, provides competitive grants to nonprofit workforce development organizations to provide employment and reentry services for individuals with criminal legal histories and for youth who have not completed school.

1 in 3 adults in the U.S. have an arrest or conviction record. Providing workforce development and reentry services for individuals with criminal legal histories not only improves employment and long-term reentry outcomes, but also increases the pool of trained and credentialed workers businesses can hire for open positions - a significant need expressed by numerous industries facing worker shortages.

REO grantees work closely with employers to help them identify qualified workers to fill current positions, especially during this time of workforce shortages. While demand for workers persists in a range of work sectors, many unemployed individuals do not meet the qualifications for industries seeking to hire. As recently as January 2025, the National Federation of Independent Business (NFIB) [found](#) that 52% of businesses owners reported hiring or trying to hire. 90% of those hiring or trying to hire reported few or no *qualified* applicants for available

positions. Small businesses are reporting that labor quality remains their top operating problem with 29% percent of owners having openings for skilled workers. Given its strong employer and credentialing components, the REO program is uniquely positioned to support both the workforce development needs of reentering individuals so that they achieve long-term reentry success and economic stability, as well as the needs of the business community by supporting job training for in demand occupations for which employers need *qualified* workers to fill open positions. Continued support for the REO program would expand access to training and certification for career-path employment, including for industries with persistent worker shortages, such as transportation, health care, manufacturing, and infrastructure development.

The REO program includes a \$35 million set-aside to provide services to prepare young people with criminal legal histories or who have not completed school for employment; for projects serving high-crime, high-poverty areas; and for communities that have recently experienced significant unrest. Research has found that *incarceration reduces the average formerly incarcerated individual's earning potential by more than 27 percent over a lifetime*,¹ making workforce development services for all individuals, but especially young people with criminal legal histories, crucial for long-term employment and reentry success.

REO grants have produced positive results. According to a recent Department of Labor evaluation of REO, one of the program's greatest successes is helping participants find and retain jobs in one of three top industries: (1) construction; (2) food and hospitality; and (3) transportation, logistics, and warehousing. According to [Associated Builders and Contractors](#), the construction industry [is facing a labor shortage](#) and must hire an additional 439,000 workers in 2025 beyond its typical pace in order to meet expected demand. The REO program also helps participants find jobs in [growth industries](#) such as information technology, healthcare, and energy. Grantees with successful employer partnerships reported frequent communication, connecting candidates to employers, connecting with participants, and offering support after job placement. Based on employment data from Q1 2025 that indicated acute shortages in the [construction](#) and [transportation logistics](#) industries, REO would help align the needs of the labor market with the skillsets of program participants.

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The REO program has improved public safety while cutting costs. A recent study found that in Illinois the average cost associated with one recidivism event is \$151,662. Another study found that individuals who were employed and earning higher wages after release were less likely to return to prison within the first year. An earlier 2016 study found that for every \$1 invested in community-based employment and training programs, taxpayers in Illinois saw a net benefit of \$20.26, and found that employment and training programs had the highest cost-benefit ratio for reducing recidivism. Additionally, a [2021 study](#) showed that prison work release programs reduced recidivism and significantly increased the likelihood that participants would find employment and maintain a stable income

¹ Holwell, P., & Gardner, D. (2014). Workforce centers: Successful labor market reentry for justice involved ex-offenders. Centennial, CO: Arapahoe/Douglas Works, p. 2:
http://www.adworks.org/pdf/Supporting_Successful_LM_Reentry_for_Justice_Involved.pdf

Given the extensive employment and reentry needs, the workforce shortages across the nation's economy, and the significant return on investment from REO program services, **we urge Congress to allocate and protect \$115 million for the REO program in FY26.**

Thank you for your time and consideration of this request. If you have questions or need additional information, please do not hesitate to contact Danielle Neal at dneal@colliercollective.org.

Sincerely,

A Little Piece of Light
American Civil Liberties Union (ACLU)
Beyond the Bars
Black Lives Matter
California Consortium of Addiction Programs & Professionals
Cara Collective
Center for Employment Opportunities
Center for Improving Youth Justice
Center for Justice and Human Dignity
Coalition for Juvenile Justice
Coalition on Human Needs
Criminon New Life DC
Drug Policy Alliance
EveryBlackGirl Inc
Faces & Voices of Recovery
Fair and Just Prosecution
Fathers and Families Center
First Step Alliance
Futures Without Violence
GWILLIAMS&ASSOCIATES,INC
Healthy Teen Network
Illinois Alliance For Reentry And Justice
Just Solutions
Justice 4 Housing
Justice Policy Institute
JustLeadershipUSA
JustUS Coordinating Council
Kitchens for Good
Landforce
Law Enforcement Leaders to Reduce Crime & Incarceration
Legal Action Center
Living On Purpose ATL
Long Beach Gray Panthers
Maui Economic Opportunity
Montana Innocence Project
More Than Our Crimes
National Association of Counties

National Association of Social Workers
National Employment Law Project
National Network for Youth
National Urban League
NETWORK Lobby for Catholic Social Justice
Operation Restoration
Pioneer Human Services
Pretrial Justice Institute
Rebuild, Overcome, and Rise (ROAR) Center at UMB
REDF
Safer Foundation
StoptheDrugWar.org
Strategies for Youth
Students for Sensible Drug Policy (SSDP)
Sycamores
T'ruah: The Rabbinic Call for Human Rights
The Gault Center
The LINNER Foundation
The National Reentry Network for Returning Citizens
The Porchlight Collective SAP
Transitions Clinic Network
Treatment Communities of America
Vehicles for Change
Voices of Hope, Inc.
Washington Defender Association
We Are Revolutionary
Women on the Rise, GA
Young People in Recovery
Youth Advocate Programs
Youth First Justice Collaborative