

## SUMMARY OF ACTIVITY

### PROFESSIONAL EMPLOYER ORGANIZATION REVIEW COMMITTEE

January 12, 2005

**Co-chairperson:** Senator David Johnson

**Co-chairperson:** Representative Jeff Elgin

**Overview.** The Professional Employer Organization Review Committee, which was approved by the Legislative Council as a 2004 interim committee, met for its one approved meeting. The charge of the Committee was to gather information about professional employer organizations (PEOs), including the definition and functions of a PEO, addressing issues involving PEOs, learning about other states' approaches to regulating PEOs, and considering the perspectives of persons interested in PEOs, including PEO clients, collective bargaining representatives, insurers, and Iowa Workforce Development.

**Testimony.** Mr. John Hovey, President of Merit Resources, a PEO located in Urbandale, Iowa explained what a PEO is and what it does for its clients. Ms. Sunnie Richer, president of Doextra, a small software company located in Des Moines, spoke about her company's positive experience as a client of Merit Resources. Mr. Tim Tucker, Governmental Relations Manager for the National Association of PEOs located in Alexandria, Virginia, spoke about the regulation of PEOs in other states and issues involving PEOs in Iowa and in other states. Mr. Terry Rich, CEO of the Blank Park Zoo, located in Des Moines, spoke about the zoo's positive experience as a client of Merit Resources, from the perspective of a nonprofit organization.

**Discussion.** Mr. Hovey, Mr. Tucker, and Mr. Matt Eide, Merit Resources' lobbyist, stated that they are developing proposed legislation to regulate PEOs in Iowa. They indicated that there have been situations involving disreputable PEOs in other states that they would like to prevent from occurring in Iowa. They indicated to the Committee that they are having ongoing discussions with collective bargaining representatives, insurers, and Iowa Workforce Development personnel to assure that those groups support the proposed legislation.