

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported):

March 19, 2003

BARRETT BUSINESS SERVICES, INC.
(Exact name of registrant as specified in charter)

Maryland
(State or other jurisdiction of incorporation)

0-21886
(SEC File Number)

52-0812977
(IRS Employer Identification No.)

4724 S.W. Macadam Avenue
Portland, Oregon
(Address of principal executive offices)

97239
(Zip Code)

Registrant's telephone number,
including area code:

(503) 220-0988

Item 5. Other Events and Required FD Disclosures.

On March 19, 2003, Barrett Business Services, Inc. (the "Company"), announced that, consistent with determinations by several other publicly-traded professional employer ("PEO") companies, the Company has determined to restate its PEO revenues based upon Emerging Issues Task Force Issue No. 99-19, "Reporting Revenues Gross as a Principal Versus Net as an Agent" ("EITF 99-19"). The restatement is predicated on the determination that a PEO company is not the primary obligor of the direct payroll costs of its PEO employees. Under the Company's new "net revenue" reporting for PEO services, the salaries and wages of PEO employees are no longer recognized as revenue components by "netting" such costs against PEO revenues. The Company will provide comparative financial information within its future public filings and disclosures. The new application of EITF 99-19 has no effect on gross margin dollars, net income, cash flows, working capital and shareholders' equity amounts previously reported, and will not affect such amounts in future periods.

The Company has entered into a definitive agreement relating to a sale-leaseback transaction with respect to its two office buildings located in Portland, Oregon, which house its corporate headquarters and its Bridgeport branch office. The transaction is expected to close in the second quarter of 2003, subject to the satisfaction of conditions standard in similar transactions. The Company intends to use the net proceeds of approximately \$2.0 million, together with an anticipated federal income tax refund of approximately \$2.2 million, to pay off the outstanding balance of its revolving credit facility.

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits.

(c) The following exhibit is included with this report:

99.1 Press release issued March 19, 2003

Item 9. Regulation FD Disclosure.

On March 19, 2003, the Company issued a press release announcing its results of operations for the quarter and year ended December 31, 2002, among other matters. The press release is being furnished under Item 9 and is included as Exhibit 99.1 to this Form 8-K.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

BARRETT BUSINESS SERVICES, INC.

Dated: March 20, 2003

By: /s/ Michael D. Mulholland

Michael D. Mulholland
Vice President - Finance

NEWS RELEASE

For Immediate Release

Contact: William W. Sherertz
President and
Chief Executive Officer

Telephone: (503) 220-0988

BARRETT BUSINESS SERVICES, INC.
ANNOUNCES FOURTH QUARTER 2002 OPERATING RESULTS,
RESTATEMENT OF REVENUES,
PROGRESS TOWARDS BANK CREDIT FACILITY RENEWAL
AND SCHEDULES INVESTOR CONFERENCE CALL

PORTLAND, OREGON, March 19, 2003 - Barrett Business Services, Inc. (Nasdaq trading symbol: "BBSI") reported today a net loss of \$993,000 for the fourth quarter ended December 31, 2002, an improvement of \$1,276,000 from a net loss of \$2,269,000 for the fourth quarter of 2001. The diluted loss per share for the 2002 fourth quarter was \$(.17) as compared to a diluted loss per share of \$(.38) for the same quarter a year ago. The net loss for 2002 totaled \$1,353,000, an improvement of \$1,069,000 over the 2001 net loss of \$2,422,000.

The Company and several other publicly-traded PEO companies have determined to restate PEO revenues based upon Emerging Issues Task Force Issue No. 99-19, "Reporting Revenues Gross as a Principal versus Net as an Agent" ("EITF 99-19"). The restatement is predicated upon the determination that a PEO company is not the primary obligor of the direct payroll costs of its PEO employees. Under the Company's new "net revenue" reporting for PEO services, the salaries and wages of PEO employees are no longer recognized as revenue components by "netting" such costs against PEO revenues. The Company will provide comparative financial information within its future public filings and disclosures. Pursuant to this restatement, total revenues for the fourth quarter ended December 31, 2002 amounted to \$25.7 million, a decrease of approximately \$6.5 million or 20.2% from the \$32.2 million for the same quarter in 2001. Total revenues for 2002 were \$109.3 million, a decrease of approximately \$30.1 million or 21.6% from the \$139.4 million for 2001. The new application of EITF 99-19 has no effect on gross margin dollars, net income, cash flows, working capital and shareholders' equity amounts previously reported, and will not affect such amounts in future periods.

The following statements of operations are based upon the Company's newly adopted revenue recognition accounting policy of "net revenue" reporting for PEO revenues pursuant to EITF 99-19:

-1-

Barrett Business Services, Inc.
News Release - 4th Quarter 2002
March 19, 2003

<TABLE>
<CAPTION>

| | | (Unaudited) | | |
|--|-----------------------|----------------------|----------|-----------|
| (Unaudited) | | Fourth Quarter Ended | | Year |
| Ended | | December 31, | | |
| December 31, | | ----- | | |
| ----- | | Restated | | |
| Restated | Results of Operations | 2002 | 2001 | 2002 |
| 2001 | | ----- | | |
| ----- | | ----- | | |
| (in thousands, except per share amounts) | | | | |
| Revenues: | | | | |
| <S> | | <C> | <C> | <C> |
| <C> | | | | |
| Staffing services | | \$22,561 | \$28,351 | \$ 96,750 |
| \$123,110 | | | | |
| Professional employer service fees | | 3,153 | 3,889 | 12,558 |
| 16,281 | | | | |
| ----- | | ----- | | |
| Total revenues | | 25,714 | 32,240 | 109,308 |
| 139,391 | | ----- | | |
| ----- | | ----- | | |
| Cost of revenues: | | | | |
| Direct payroll costs | | 16,674 | 20,931 | 71,515 |
| 90,750 | | | | |

| | | | |
|--|----------|------------|------------|
| Payroll taxes and benefits 17,635 | 3,223 | 3,841 | 14,062 |
| Workers' compensation 12,971 | 3,364 | 5,927 | 8,766 |
| - ----- | ----- | ----- | ----- |
| Total cost of revenues 121,356 | 23,261 | 30,699 | 94,343 |
| - ----- | ----- | ----- | ----- |
| Gross margin 18,035 | 2,453 | 1,541 | 14,965 |
| Selling, general and administrative expenses 18,737 | 3,753 | 4,468 | 16,008 |
| Depreciation and amortization 3,277 | 280 | 808 | 1,162 |
| - ----- | ----- | ----- | ----- |
| Loss from operations (3,979) | (1,580) | (3,735) | (2,205) |
| Other (expense) income, net (17) | (46) | 6 | (40) |
| - ----- | ----- | ----- | ----- |
| Loss before taxes (3,996) | (1,626) | (3,729) | (2,245) |
| Benefit from income taxes (1,574) | (633) | (1,460) | (892) |
| - ----- | ----- | ----- | ----- |
| Net loss \$ (2,422) | \$ (993) | \$ (2,269) | \$ (1,353) |
| ===== | ===== | ===== | ===== |
| Basic loss per share \$ (.39) | \$ (.17) | \$ (.38) | \$ (.23) |
| ===== | ===== | ===== | ===== |
| Weighted average basic shares outstanding 6,193 | 5,787 | 5,969 | 5,804 |
| ===== | ===== | ===== | ===== |
| Diluted loss per share \$ (.39) | \$ (.17) | \$ (.38) | \$ (.23) |
| ===== | ===== | ===== | ===== |
| Weighted average diluted shares outstanding 6,193 | 5,787 | 5,969 | 5,804 |
| ===== | ===== | ===== | ===== |

</TABLE>

As noted above, the Company has changed its reporting of PEO revenues to a net basis. A reconciliation of the restated amounts to the amounts previously reported is as follows.

<TABLE>

<CAPTION>

| | (Unaudited) Fourth Quarter Ended December 31, | (Unaudited) Year Ended December 31, | |
|--|--|---|-----------|
| | 2001 | 2002 | 2001 |
| Revenues: | | | |
| <S> | <C> | <C> | <C> |
| Restated professional employer service fees | \$ 3,889 | \$ 12,558 | \$ 16,281 |
| Adjustment | 18,437 | 61,394 | 77,272 |
| Professional employer services, as previously reported | \$ 22,326 | \$ 73,952 | \$ 93,553 |
| Cost of revenues: | | | |
| Restated direct payroll costs | \$ 20,931 | \$ 71,515 | \$ 90,750 |
| Adjustment | 18,437 | 61,394 | 77,272 |
| Direct payroll costs, as previously reported | \$ 39,368 | \$132,909 | \$168,022 |

</TABLE>

As a result of the Company's adoption of Statement of Financial Accounting Standard No. 142 - Goodwill and Other Intangible Assets, as of January 1, 2002, the Company ceased the amortization of goodwill.

-2-

Barrett Business Services, Inc.
News Release - 4th Quarter 2002
March 19, 2003

Operating results for the fourth quarter and the full year of 2001 included \$454,000 and \$1,783,000 of goodwill amortization, respectively.

William W. Sherertz, President and Chief Executive Officer, commented that: "In spite of the reduction in workers' compensation expense in the 2002 fourth quarter both in terms of dollars and as a percent of revenues, as compared to last year, we continue to be negatively affected by significantly higher claims costs in California. On a positive note, our strengthened branch management team is beginning to achieve increases in market share leading to improved revenue trends thus far in 2003, particularly in California."

The Company also announced that it has reached an agreement in principle with its primary bank in connection with the scheduled renewal of its existing credit facility on April 30, 2003.

The following summarizes the unaudited balance sheets at December 31, 2002 and December 31, 2001.

<TABLE>
<CAPTION>

| | December 31, 2002 | December 31, 2001 |
|---|----------------------|----------------------|
| | ----- | ----- |
| (\$ in thousands) | | |
| ASSETS | | |
| Current assets: | | |
| <S> | <C> | <C> |
| Cash and cash equivalents | \$ 96 | \$ 1,142 |
| Income taxes receivable | 1,923 | - |
| Trade accounts receivable, net | 11,357 | 13,760 |
| Prepaid expenses and other | 1,040 | 1,022 |
| Deferred tax assets | 2,111 | 2,841 |
| | ----- | ----- |
| Total current assets | 16,527 | 18,765 |
| Goodwill, net | 18,749 | 18,749 |
| Intangibles, net | 59 | 129 |
| Property, equipment and software, net | 5,167 | 6,084 |
| Restricted marketable securities and workers' compensation deposits | 4,286 | 5,425 |
| Deferred tax assets | 1,445 | 2,268 |
| Other assets | 1,064 | 1,146 |
| | ----- | ----- |
| | \$47,297 | \$52,566 |
| | ===== | ===== |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Current portion of long-term debt | \$ 434 | \$ 708 |
| Line of credit payable | 3,513 | 3,424 |
| Accounts payable | 834 | 686 |
| Accrued payroll, payroll taxes and related benefits | 4,897 | 5,165 |
| Workers' compensation claim and safety incentive liabilities | 4,309 | 5,735 |
| Other accrued liabilities | 305 | 389 |
| | ----- | ----- |
| Total current liabilities | 14,292 | 16,107 |
| Long-term debt, net of current portion | 488 | 922 |
| Customer deposits | 443 | 520 |
| Long-term workers' compensation liabilities | 2,492 | 3,515 |
| Other long-term liabilities | 797 | 968 |
| Stockholders' equity | 28,785 | 30,534 |
| | ----- | ----- |
| | \$47,297 | \$52,566 |
| | ===== | ===== |

</TABLE>

-3-

Barrett Business Services, Inc.
News Release - 4th Quarter 2002
March 19, 2003

On March 20, 2003, at 10:00 a.m. Pacific Time, William W. Sherertz will host an investor telephone conference call to discuss fourth quarter 2002 operating results. To participate in the call, dial (877)356-3717 shortly before

10:00 a.m. Pacific Time on March 20, 2003. A recording of the call will be available beginning March 20, 2003 at 12 noon and ending March 27, 2003 at 12 midnight. To listen to the recording, dial (800)642-1687 and enter conference identification code 9327905.

Barrett Business Services, Inc. is a human resource management company with offices in seven states, which serve customers in approximately 15 states.

Statements in this release about future events or performance are forward-looking statements, which involve known and unknown risks, uncertainties and other factors that may cause the actual results of the Company to be materially different from any future results expressed or implied by such forward-looking statements. Factors that could affect future results include economic conditions in the Company's service areas, the effect of changes in the Company's mix of services on gross margin, future workers' compensation claims experience, collectibility of accounts receivable, and availability of funding for working capital purposes, among others. Although forward-looking statements help to provide complete information about the Company, readers should keep in mind that forward-looking statements may be less reliable than historical information.

####

-4-