UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13
OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended March 31, 1999

Commission File No. 0-21886

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

Maryland	52-0812977
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)
4724 SW Macadam Avenue Portland, Oregon	97201
(Address of principal executive offices)	(Zip Code)

(503) 220-0988

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such report), and (2) has been subject to such filing requirements for the past 90 days.

Yes [X]   No [   ]

Number of shares of Common Stock, $.01 par value, outstanding at April 30, 1999 was 7,573,289 shares.

BARRETT BUSINESS SERVICES, INC.

INDEX

PART I - Financial Information

Item 1. Financial Statements

BARRETT BUSINESS SERVICES, INC.
Balance Sheets
(Unaudited)
(In thousands, except par value)

	March 31, 1999	December 31, 1998
Assets		
Current assets:		
Cash and cash equivalents	$ 1,713	$ 4,029
Trade accounts receivable, net	23,579	21,907
Prepaid expenses and other	1,627	1,103
Deferred tax assets (Note 3)	1,841	1,857
Total current assets	28,760	28,896
Intangibles, net	14,968	11,508
Property and equipment, net	5,532	5,184
Restricted marketable securities and workers' compensation deposits	6,184	6,004
Deferred tax assets (Note 3)	697	552
Other assets	964	626
	$57,105	$52,770
Liabilities and Stockholders' Equity		
Current liabilities:		
Note payable	$ 240	$ -
Current portion of long-term debt	115	61
Income taxes payable (Note 3)	488	438
Accounts payable	1,156	948
Accrued payroll, payroll taxes and related benefits	13,249	9,246
Accrued workers' compensation claim liabilities	2,903	3,244
Customer safety incentives payable	1,113	1,173
Other accrued liabilities	361	514
Total current liabilities	19,625	15,624
Long-term debt, net of current portion	541	503
Customer deposits	805	829
Long-term workers' compensation liabilities	710	714
Other long-term liabilities	1,579	1,398
	23,260	19,068
Commitments and contingencies		
Stockholders' equity:		
Common stock, $.01 par value; 20,500 shares authorized, 7,596 and 7,676 shares issued and outstanding, respectively	76	77
Additional paid-in capital	10,813	11,409
Retained earnings	22,956	22,216
	33,845	33,702
	$57,105	$52,770

The accompanying notes are an integral part of these financial statements.

BARRETT BUSINESS SERVICES, INC.
Statements of Operations
(Unaudited)
(In thousands, except per share amounts)

	Three Months Ended March 31, 1999	1998
Revenues:		
Staffing services	$ 37,229	$ 40,304

Professional employer services	33,786	28,937
	71,015	69,241
Cost of revenues:		
Direct payroll costs	55,163	53,667
Payroll taxes and benefits	6,251	6,440
Workers' compensation	1,969	1,996
Safety incentives	317	364
	63,700	62,467
Gross margin	7,315	6,774
Selling, general and administrative expenses	5,710	5,816
Amortization of intangibles	374	353
Income from operations	1,231	605
Other income (expense):		
Interest expense	(24)	(57)
Interest income	95	125
Other, net	1	1
	72	69
Income before provision for income taxes	1,303	674
Provision for income taxes (Note 3)	563	287
Net income	$ 740	$ 387
Basic earnings per share	$ .10	$ .05
Weighted average number of basic shares outstanding	7,666	7,639
Diluted earnings per share	$ .10	$ .05
Weighted average number of diluted shares outstanding	7,707	7,693

The accompanying notes are an integral part of these financial statements.

BARRETT BUSINESS SERVICES, INC.
Statements of Cash Flows
(Unaudited)
(In thousands)

	Three Months Ended March 31, 1999	1998
Cash flows from operating activities:		
Net income	$ 740	$ 387
Reconciliation of net income to cash from operations:		
Depreciation and amortization	511	467
Changes in certain assets and liabilities, net of acquisitions:		
Trade accounts receivable, net	(728)	(1,164)
Prepaid expenses and other	(465)	(524)
Deferred tax assets	(21)	(76)
Accounts payable	61	12

Accrued payroll, payroll taxes and related benefits	3,842	1,176
Accrued workers' compensation claims liabilities	(341)	(46)
Customer safety incentives payable	(60)	(3)
Income taxes payable	50	119
Other accrued liabilities	(357)	64
Customer deposits and long-term workers' compensation liabilities and other assets	(344)	(160)
Other long-term liabilities	181	82
Net cash provided by operating activities	3,069	334
Cash flows from investing activities:		
Cash paid for acquisitions, including other direct costs	(3,316)	-
Purchases of fixed assets, net of amounts purchased in acquisitions	(359)	(349)
Proceeds from maturities of marketable securities	364	2,839
Purchases of marketable securities, net of amounts acquired in acquisitions	(523)	(2,757)
Net cash used in investing activities	(3,834)	(267)
Cash flows from financing activities:		
Payment of credit line assumed in acquisition	(1,113)	-
Payment of note payable assumed in acquisition	(55)	-
Net payments on credit-line borrowings	-	(116)
Proceeds from issuance of note payable	240	-
Proceeds from issuance of long-term debt	-	62
Payments on long-term debt	(26)	(22)
Repurchase of common stock	(554)	-
Payment to shareholder	(57)	-
Proceeds from exercise of stock options and warrants	14	25
Net cash used in financing activities	(1,551)	(51)
Net (decrease) increase in cash and cash equivalents	(2,316)	16
Cash and cash equivalents, beginning of period	4,029	3,439
Cash and cash equivalents, end of period	$ 1,713	$ 3,455
Supplemental schedule of noncash activities:		
Acquisition of other businesses:		
Cost of acquisitions in excess of fair market value of net assets acquired	$ 3,834	$ -
Tangible assets acquired	1,280	-
Liabilities issued or assumed	1,798	-

The accompanying notes are an integral part of these financial statements.

BARRETT BUSINESS SERVICES, INC.
Notes to Financial Statements

NOTE 1 - BASIS OF PRESENTATION OF INTERIM PERIOD STATEMENTS:

On June 29, 1998, Barrett Business Services, Inc. (the "Company") completed its merger with Western Industrial Management, Inc., and with a related company, Catch 55, Inc., (together, "WIMI"). The transaction was accounted for as a pooling-of-interests pursuant to Accounting Principles Board Opinion No. 16 and, accordingly, the Company's financial statements have been restated for all prior periods to give effect to the merger. The accompanying financial statements are unaudited and have been prepared by management pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and note disclosures typically included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations. In the opinion of management, the financial statements include all adjustments, consisting only of normal recurring adjustments, necessary for a fair statement of the results for the interim periods presented. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from such estimates and assumptions. The financial statements should be read in conjunction with the audited financial statements and notes thereto included in the Company's 1998

Annual Report on Form 10-K at pages F1-F22. The results of operations for an interim period are not necessarily indicative of the results of operations for a full year.

Certain prior year amounts have been reclassified to conform with the 1999 presentation. Such reclassifications had no impact on gross margin, net income or stockholders' equity.

NOTE 2 - ACQUISITIONS:

Effective January 1, 1999, the Company acquired all of the outstanding common stock of Temporary Staffing Systems, Inc. ("TSS"), a staffing services company with eight branch offices in North Carolina and one in South Carolina. The Company paid $2,000,000 in cash and issued a note payable for $950,000 due January 31, 2000, payment of which is contingent upon a minimum equity requirement for 1998 and certain financial performance criteria for 1999. The Company also paid $50,000 in cash for a noncompete agreement with the selling shareholder. TSS's revenues for the fiscal year ended March 29, 1998 were approximately $12.9 million (audited). The transaction, subject to the resolution of

the above contingencies, has been accounted for under the purchase method of accounting. The effect of this transaction resulted in the recording of $1,255,000 of tangible assets, $393,000 of existing intangible assets, the assumption of $1,798,000 of liabilities and, to date, the recognition of an additional $2,251,000 of intangible assets, which includes $60,000 for acquisition-related costs.

Effective February 15, 1999, the Company acquired certain assets of TPM Staffing Services, Inc. ("TPM"), a staffing services company with three offices in southern California - Lake Forest, Santa Ana and Anaheim. The Company paid $1,200,000 in cash for the assets of TPM and the selling shareholder's noncompete agreement, of which $240,000 will be deferred for six months. TPM's revenues for the year ended December 31, 1998 were approximately $5.7 million (unaudited). The transaction was accounted for under the purchase method of accounting, which resulted in $1,190,000 of intangible assets, including $15,000 for acquisition-related costs, and $25,000 of fixed assets.

NOTE 3 - PROVISION FOR INCOME TAXES:

Deferred tax assets (liabilities) are comprised of the following components (in thousands):

	March 31, 1999	December 31, 1998
Current:		
Accrued workers' compensation claims liabilities	$1,100	$1,232
Allowance for doubtful accounts	86	102
Safety incentives	440	310
Other accruals	215	213
	$1,841	$1,857
Noncurrent:		
Tax depreciation in excess of book depreciation	(95)	$ (101)
Accrued workers' compensation claims liabilities	276	278
Book amortization of intangibles in excess of tax amortization	318	289
Deferred compensation	62	62
NOL carryforward	108	-
Other	28	24
	$ 697	$ 552

The provision for income taxes for the three months ended March 31, 1999 and 1998, is as follows (in thousands):

	Three Months Ended March 31, 1999	Three Months Ended March 31, 1998
Current:		
Federal	$ 542	$ 293
State	150	70

	692	363
Deferred:		
Federal	(103)	(67)
State	(26)	(9)
	(129)	(76)
Provision for income taxes	$ 563	$ 287

NOTE 4 - STOCK INCENTIVE PLAN:

In 1993, the Company adopted a stock incentive plan (the "Plan") which provides for stock-based awards to the Company's employees, directors and outside consultants or advisers. The number of shares of common stock reserved for issuance under the Plan is 1,300,000.

The following table summarizes options granted under the Plan in 1999:

Outstanding at December 31, 1998	785,295	$ 3.39 to $18.00
Options granted	134,144	$ 3.57 to $8.94
Options exercised	(4,000)	$ 3.50
Options canceled or expired	-	
Outstanding at March 31, 1999	915,439	$ 3.39 to $18.00
Exercisable at March 31, 1999	404,120	
Available for grant at March 31, 1999	172,186	

The options listed in the table generally become exercisable in four equal annual installments beginning one year after the date of grant.

Certain of the Company's zone and branch management employees had previously elected to receive a portion of their quarterly cash bonus in the form of nonqualified deferred compensation stock options. Such options are awarded at a sixty percent discount from the then-fair market value of the Company's stock and are fully vested and immediately exerciseable upon grant. The amount of the

grantee's deferred compensation (discount from fair market value) is subject to market risk. During the first quarter of 1999, the Company awarded deferred compensation stock options for 11,473 shares at an exercise price of $3.575 per share.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of Operations

As more fully described above in Note 1 to the Company's financial statements, the financial statements have been restated for all prior periods to give effect to the merger with WIMI. The following table sets forth the percentages of total revenues represented by selected items in the Company's Statements of Operations for the three months ended March 31, 1999 and 1998.

	Percentage of Total Revenues Three Months Ended March 31,	
	1999	1998
Revenues:		
Staffing services	52.4%	58.2%
Professional employer services	47.6	41.8
Total revenues	100.0	100.0
Cost of revenues:		

Direct payroll costs	77.7	77.5
Payroll taxes and benefits	8.8	9.3
Workers' compensation	2.8	2.9
Safety incentives	0.4	0.5
Total cost of revenues	89.7	90.2
Gross margin	10.3	9.8
Selling, general and administrative expenses	8.1	8.4
Amortization of intangibles	0.5	0.5
Income from operations	1.7	0.9
Other income (expense)	0.1	0.1
Pretax income	1.8	1.0
Provision for income taxes	0.8	0.4
Net income	1.0%	0.6%

Three months ended March 31, 1999 and 1998

Net income for the first quarter of 1999 was $740,000, an increase of $353,000, or 91.2% over the same period in 1998. The increase in net income for 1999 was attributable to a higher gross margin percent owing primarily to lower payroll taxes and benefits, expressed as a percentage of revenues, coupled with lower selling, general and administrative expenses both in terms of a percentage of revenues and total dollars. Basic and diluted earnings per share for the first quarter of 1999 were $.10, as compared to $.05

for both basic and diluted earnings per share for the first quarter of 1998.

Revenues for the first quarter of 1999 totaled approximately $71.0 million, an increase of approximately $1.8 million or 2.6% over the first quarter of 1998. The quarter-over-quarter internal growth rate of revenues was a decline of 1.9%. The percentage increase in total revenues exceeded the internal growth rate of revenues primarily due to the BOLT Staffing acquisition effective April 13, 1998, the TSS acquisition effective January 1, 1999 and the TPM acquisition effective February 15, 1999.

Professional employer (PEO) services revenue increased approximately $4.9 million or 16.8%, while staffing services revenue decreased approximately $3.1 million or 7.6%, which resulted in an increase in the share of professional employer (PEO) services from 41.8% of total revenues for the first quarter of 1998 to 47.6% for the first quarter of 1999. The share of staffing services had a corresponding decrease from 58.2% of total revenues for the first quarter of 1998 to 52.4% for the first quarter of 1999.

The decrease in staffing services revenue for the first quarter of 1999 compared to the 1998 first quarter was primarily attributable to a moderation in the demand for the Company's services by a limited number of large contract staffing customers that were affected by various economic conditions.

Gross margin for the first quarter of 1999 totaled approximately $7.3 million, which represented an increase of $541,000 or 8.0% over the first quarter of 1998. The gross margin percent increased from 9.8% of revenues for the first quarter of 1998 to 10.3% for the first quarter of 1999. The increase in the gross margin percentage was due to lower payroll taxes and benefits, combined with slightly lower workers' compensation expense and safety incentives, offset in part by slightly higher direct payroll costs. The decrease in payroll taxes and benefits, both in terms of total dollars and as a percentage of revenues for the first quarter of 1999, was primarily attributable to lower state unemployment tax rates in various states in which the Company does business.

Workers' compensation expense for the first quarter of 1999 totaled $1,969,000 or 2.8% of revenues, which compares to $1,996,000 or 2.9% of revenues for the same period in 1998. The small decrease in workers' compensation expense for the 1999 first

quarter was generally attributable to a lower incidence of injuries in 1999 compared to the same period in 1998.

Selling, general and administrative ("SG&A") expenses for the 1999 first quarter amounted to approximately $5.7 million, a decrease of $106,000 or 1.8% from the comparable period in 1998. SG&A expenses, expressed as a percentage of revenues, decreased from 8.4% for the first quarter of 1998 to

8.1% for the first quarter of 1999. The small decrease in total dollars from 1998 was primarily attributable to lower branch profit sharing and related taxes. During the first quarter of 1998, management implemented specific performance criteria for all branches to align operating expenses more closely with growth in gross margin dollars rather than growth in revenues. Total SG&A expenses for the first quarter of 1999 represented the third consecutive quarter of reduced expenses from the preceding quarter, and the lowest total since the second quarter of 1997.

Amortization of intangibles totaled $374,000 or .5% of revenues for the first quarter of 1999, which compares to $353,000 or .5% of revenues for the same period in 1998. The increased amortization expense was primarily due to amortization from the BOLT Staffing, TSS and TPM acquisitions which were consummated after March 1998.

The Company offers various qualified employee benefit plans to its employees, including its worksite employees. These qualified employee benefit plans include a savings plan (the "401(k) plan") under Section 401(k) of the Internal Revenue Code (the "Code"), a cafeteria plan under Code Section 125, a group health plan, a group life insurance plan, a group disability insurance plan and an employee assistance plan. Generally, qualified employee benefit plans are subject to provisions of both the Code and the Employee Retirement Income Security Act ("ERISA"). In order to qualify for favorable tax treatment under the Code, qualified plans must be established and maintained by an employer for the exclusive benefit of its employees. In the event the tax exempt status of the Company's benefit plans were to be discontinued and the benefit plans were to be disqualified, such actions could have a material adverse effect on the Company's business, financial condition and results of operations. Reference is made to pages 19-20 of the Company's 1998 Annual Report on Form 10-K for a more detailed discussion of this issue.

Fluctuations in Quarterly Operating Results

The Company has historically experienced significant fluctuations in its quarterly operating results and expects such fluctuations to continue in the future. The Company's operating results may fluctuate due to a number of factors such as seasonality, wage limits on payroll taxes, claims experience for workers' compensation, demand and competition for the Company's services, and the effect of acquisitions. The Company's revenue levels fluctuate from quarter to quarter primarily due to the impact of seasonality in its staffing services business and on certain of its PEO clients in the agriculture and forest products related industries. As a result, the Company may have greater revenues and net income in the third and fourth quarters of its fiscal year. Payroll taxes and benefits fluctuate with the level of direct payroll costs but may tend to represent a smaller percentage of revenues later in the Company's fiscal year as federal and state statutory wage limits for unemployment and social security taxes are exceeded by some employees. Workers' compensation expense varies with both the frequency and severity of workplace injury claims reported during a quarter, as well as adverse loss development of prior period claims during the current or subsequent quarters.

Liquidity and Capital Resources

The Company's cash position of $1,713,000 at March 31, 1999 decreased by $2,316,000 from December 31, 1998, which compares to an increase of $16,000 for the comparable period in 1998. The decrease in cash at March 31, 1999 as compared to December 31, 1998, was primarily attributable to cash used in connection with two acquisitions and the repayment of credit-line borrowings assumed in the TSS acquisition, partially offset by cash provided by operating activities.

Net cash provided by operating activities for the three months ended March 31, 1999 amounted to $3,069,000, as compared to $334,000 for the comparable 1998 period. For the 1999 period, cash flow generated by net income, together with an increase of $3,842,000 in accrued payroll and benefits, was offset in part by a $728,000 increase in trade accounts receivable.

Net cash used in investing activities totaled $3,834,000 for the three months ended March 31, 1999, as compared to $267,000 for the similar 1998 period. For the 1999 period, the principal use of cash for investing activities was for the acquisitions of TSS and TPM. The Company presently has no material long-term capital commitments.

Net cash used in financing activities for the three-month period ended March 31, 1999 was $1,551,000, which compared to $51,000 net cash used in financing activities for the similar 1998 period. For the 1999 period, the principal use of cash for financing activities was for repayment of the credit-line assumed in the TSS acquisition, coupled with cash used for repurchasing common stock of the Company.

The Company's business strategy continues to focus on growth through the acquisition of additional personnel-related businesses, both in its existing markets and other strategic geographic areas, together with the expansion of operations at existing offices. As disclosed in Note 2 to the financial statements included herein, the Company acquired all of the outstanding common stock of Temporary Staffing Systems, Inc., a staffing services company headquartered in North Carolina, effective January 1, 1999, for $2,050,000 in cash and issued a contingent note payable for $950,000. Also as disclosed in Note 2 herein, on February 15, 1999, the Company purchased certain assets of TPM Staffing Services, Inc., a staffing services company located in southern California, for $1,200,000 in cash, of which $240,000 will be deferred fo`r six months. The Company actively explores proposals for various acquisition opportunities on an ongoing basis, but there can be no assurance that any additional transactions will be consummated.

The Company negotiated an amendment to its loan agreement with its principal bank, effective February 8, 1999, to increase the revolving credit facility by $2.0 million, from $5.65 million to $7.65 million. This facility, which expires May 31, 1999, includes a subfeature for letters of credit, as to which approximately $1.9 million was outstanding as of March 31, 1999. There was no outstanding balance on the revolving credit facility at March 31, 1999. As such, the Company had approximately $5.7 million of unused availability on its line of credit on March 31, 1999. Management expects that the renewal of such credit facility will be in an amount and on such terms and conditions as will be not less favorable than the current credit arrangement. Management believes that the credit facility and other potential sources of financing, together with anticipated funds generated from operations, will be sufficient in the aggregate to fund the Company's working capital needs for the foreseeable future.

On February 26, 1999, the Company's board of directors authorized a stock repurchase program to purchase up to 250,000 common shares from time to time in open market purchases. During the first quarter of 1999, the Company repurchased 80,500 shares at

an aggregate price of $554,000. Management anticipates that the capital necessary to execute this program will be provided by existing cash balances.

Inflation

Inflation generally has not been a significant factor in the Company's operations during the periods discussed above. The Company has taken into account the impact of escalating medical and other costs in establishing reserves for future expenses for self-insured workers' compensation claims.

Year 2000 Readiness

The Company has developed a Year 2000 plan to ensure its internal operational readiness, as well as compliance by the Company's key vendors. Management's plan is focused on evaluating the readiness of the Company's mission critical applications software, operating systems software, hardware, communications, third-party interfaces, facilities (typically non-information technology systems) and key vendors. This evaluation process involves four phases: (1) identification of risks, (2) assessment of risks, (3) development of remediation and contingency plans, and (4) testing and implementation.

As the Company has previously reported, management initiated a project in mid-1997 to convert its information systems to new technologies which are expected to enable the Company to more effectively accommodate its anticipated growth. This upgrade is anticipated to be completed in mid-1999 and is expected to alleviate the Year 2000 issue for such mission-critical applications as payroll processing and financial reporting systems. The Company has incurred capital expenditures of $2.3 million through March 31, 1999, for this project and expects to incur another $0.4 million prior to completion. The remaining mission-critical application is a branch-level legacy system which is expected to require only minor reprogramming by the Company's internal staff during the first half of 1999 at no incremental cost to the Company.

Mission-critical applications are currently in a remediation or testing phase. Management is currently uncertain as to the need for contingency plans for the Company's mission-critical applications, as it expects these systems to be fully operational by the third quarter of 1999.

The Company's assessment of the risks associated with non-mission critical systems is incomplete but ongoing, and as such, management cannot predict whether significant problems will be identified, and if so, the costs to remediate such problems. In addition, management has not yet identified any reasonably likely worst case scenarios or determined the extent of contingency planning that may be required. Costs identified to date, however, have not been material. As part of its assessment, the Company is relying on assurances from key vendors that their products and services will be Year 2000 compliant.

The risks associated with the Year 2000 problem are pervasive and complex, can be difficult to identify and to address, and can result in material adverse consequences to the Company. Even if the Company, in a timely manner, completes all of its assessments, identifies and tests remediation plans believed to be adequate, and develops contingency plans believed to be adequate, some problems may not be identified or corrected in time to prevent material adverse consequences to the Company. Also, the Company's business may be adversely affected by events outside its control, such as disruptions to services provided by utilities, banks or transportation or telecommunications networks.

Forward-Looking Information

Statements in this report which are not historical in nature, including discussion of economic conditions in the Company's market areas, the potential for and effect of future acquisitions, the effect of changes in the Company's mix of services on gross margin, the adequacy of the Company's workers' compensation reserves and allowance for doubtful accounts, the tax-qualified status of the Company's 401(k) savings plan, the timely resolution of the Year 2000 issue by the Company and its customers and vendors, and the availability of financing and working capital to meet the Company's funding requirements, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors with respect to the Company include difficulties associated with integrating acquired businesses and clients into the Company's operations, economic trends in the Company's service areas, uncertainties regarding government regulation of PEOs, including the possible adoption by the IRS of an unfavorable position as to the tax-qualified status of employee

benefit plans maintained by PEOs, future workers' compensation claims experience, and the availability of and costs associated with potential sources of financing. The Company disclaims any obligation to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future events or developments.

Part II - Other Information

Item 6. Exhibits and Reports on Form 8-K

(a) The exhibits filed herewith are listed in the Exhibit Index following the signature page of this report.

(b) No Current Reports on Form 8-K were filed by the Registrant during the quarter ended March 31, 1999.

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.
(Registrant)

Date: May 13, 1999

By: /s/Michael D. Mulholland

Michael D. Mulholland
Vice President-Finance
(Principal Financial Officer)

EXHIBIT INDEX

Exhibit

11   Statement of Calculation of Basic and Diluted Shares Outstanding

27   Financial Data Schedule

BARRETT BUSINESS SERVICES, INC.
STATEMENT OF CALCULATION OF BASIC
AND DILUTED COMMON SHARES OUTSTANDING

	Three Months Ended March 31, 1999
Weighted average number of basic shares outstanding	7,665,535
Stock option plan shares to be issued at prices ranging from $3.39 to $18.00 per share	869,789
Less: Assumed purchase at average market price during the period using proceeds received upon exercise of options and purchase of stock, and using tax benefits of compensation due to premature dispositions	(828,353)
Weighted average number of diluted shares outstanding	7,706,971

<TABLE> <S> <C>

<ARTICLE> 5
<LEGEND>
This schedule contains summary financial information extracted from the Company's balance sheet and related statement of operations for the period ended March 31, 1999 and is qualified in its entirety by reference to such financial statements.
</LEGEND>
<MULTIPLIER> 1,000

<S>	<C>
<PERIOD-TYPE>	3-MOS
<FISCAL-YEAR-END>	DEC-31-1999
<PERIOD-START>	JAN-01-1999
<PERIOD-END>	MAR-31-1999
<CASH>	1,713
<SECURITIES>	0
<RECEIVABLES>	23,579
<ALLOWANCES>	0
<INVENTORY>	0
<CURRENT-ASSETS>	28,760
<PP&E>	5,532
<DEPRECIATION>	0
<TOTAL-ASSETS>	57,105
<CURRENT-LIABILITIES>	19,625
<BONDS>	541
<PREFERRED-MANDATORY>	0
<PREFERRED>	0
<COMMON>	76
<OTHER-SE>	33,769
<TOTAL-LIABILITY-AND-EQUITY>	57,105
<SALES>	0
<TOTAL-REVENUES>	71,015
<CGS>	0
<TOTAL-COSTS>	63,700
<OTHER-EXPENSES>	0
<LOSS-PROVISION>	0
<INTEREST-EXPENSE>	24
<INCOME-PRETAX>	1,303
<INCOME-TAX>	563
<INCOME-CONTINUING>	740
<DISCONTINUED>	0
<EXTRAORDINARY>	0
<CHANGES>	0
<NET-INCOME>	740
<EPS-PRIMARY>	0.10
<EPS-DILUTED>	0.10

</TABLE>