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) May 15, 2003

TEAMSTAFF, INC.

(Exact name of Registrant as specified in charter)

New Jersey	0-18492	22-1899798
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

300 Atrium Drive, Somerset, N.J.	08873
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (732) 748-1700

(Former name or former address, if changed since last report.)

ITEM 7: FINANCIAL STATEMENTS AND EXHIBITS.

(c) Exhibits

The following exhibit is filed herewith:

EXHIBIT NO.	DESCRIPTION
99.1	Press release issued by Teamstaff, Inc. dated May 15, 2003.

ITEM 9: REGULATION FD DISCLOSURE (INFORMATION PROVIDED UNDER ITEM 12 - RESULTS OF OPERATIONS AND FINANCIAL CONDITION).

This information, furnished under this "Item 9. Regulation FD Disclosure," is intended to be furnished under "Item 12. Disclosure of Results of Operations and Financial Condition" in accordance with SEC Release No. 33-8216.

On May 15, 2003, Teamstaff, Inc. (the "Registrant") issued a press release announcing results for the fiscal quarter ended March 31, 2003. A copy of the press release is attached as exhibit 99.1. The information in this report shall not be deemed to be "filed" for purposes of Section 18 of, or otherwise regarded as filed under, the Securities Exchange Act of 1934, as amended. Unless expressly incorporated into a filing of the Registrant under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, made after the date hereof, the information contained herein shall not be incorporated by reference into any filing of the Registrant, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report on Form 8-K to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: May 16, 2003

TEAMSTAFF, INC.
(Registrant)

By /s/ Gerard A. Romano

Gerard A. Romano
Corporate Controller

EXHIBIT 99.1

[TEAMSTAFF LOGO]

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TEAMSTAFF REPORTS SECOND QUARTER RESULTS, INCLUDING $26 MILLION WRITE-DOWN OF GOODWILL AND INTANGIBLE ASSETS, AND PROVIDES OUTLOOK FOR THE FUTURE

Somerset, NJ - May 15, 2003- TeamStaff, Inc. (NASDAQ: TSTF), one of the nation's leading Business Process Outsourcers and Professional Employer Organizations (PEOs), today reported revenue and earnings results for the fiscal quarter ending March 31, 2003. TeamStaff's quarterly results are affected heavily by its determination, substantiated by independent valuations, to take a pre-tax write down of goodwill and intangible assets of approximately $26,000,000 affecting its PEO division.

Donald W. Kappauf, President and CEO, stated, "In the second quarter, several one-time issues or temporary trends converged into a 'perfect storm' that had a negative impact on our results in the short term, including: the large write-down of goodwill and intangible assets representing approximately $26,000,000 million of the total $29,000,000 million pre-tax loss we experienced; industry wide tactics on the part of medical staffing customers that are being used to avoid hiring temporary help and that we see as unsustainable over time; charges connected with our supplemental retirement plan; and unusually high claims development in the inherently volatile workers' compensation area."

Kappauf noted, "We made a critical decision this quarter, substantiated by independent valuations, to take substantial goodwill and intangible impairment charges affecting our PEO division. In making that determination, we considered a variety of factors. While these charges certainly are significant, we believe they were necessary at this point."

Kappauf added, "Since the books closed on the second quarter, we see evidence across all divisions that the losses we have experienced and which have had an impact on our overall performance are passing or, in many key areas, have bottomed out, and we see nothing to prevent a return to profitable operating trends by the end of the year. While we know that this was a disappointing quarter for our company and our shareholders for a variety of reasons, we have taken the opportunity to position TeamStaff for future growth and profitability."

In the quarter ended March 31, 2003, TeamStaff incurred a $20,396,000 goodwill impairment charge and a $5,700,000 intangible impairment charge. The decision to test for impairment was based on a variety of factors, including, but not limited to, the overall downturn in the nation's economy, the relatively recent substantial decrease in the number of PEO worksite employees, the poor performance of the marketing agreement established at the time of the BrightLane acquisition, the reduced valuations of individual PEOs by various market analysts and the associated market downgrade in the PEO industry in general.

Net loss for the quarter ended March 31, 2003 was $(25,957,000), or $(1.65) per fully diluted share, as compared to net income of $444,000, or $0.03 per fully diluted share, for the quarter ended March 31, 2002. This decrease is predominantly due to the write down from impaired goodwill and intangible assets representing $(1.53) per fully diluted share discussed above. Additional losses resulted from increased workers' compensation reserves, increased state unemployment taxes, an accrual for TeamStaff's potential obligations to its former Chief Financial Officer under his severance agreement and TeamStaff's obligations to its President and Chief Executive Officer and its former Chief Financial Officer under its Supplemental Retirement Plan, and the decreased performance of TeamStaff's Medical Staffing division. Net loss for the six months ended March 31, 2003 was $(25,872,000), or $(1.64) per fully diluted share, as compared to net income of $1,071,000, or $0.07 per fully diluted share for the same period last year.

TeamStaff's revenues for the quarter ending March 31, 2003 and its comparative results reflect TeamStaff's previously-announced decision, after discussion with Securities and Exchange Commission staff and with the concurrence of its auditors, to report its PEO division revenues net of worksite employee payroll costs. TeamStaff's revenues for the three months ended March 31, 2003 and 2002 were $37,947,000 and $45,028,000, respectively, which represents a decrease of $7,081,000, or 15.7% over the prior year fiscal quarter. Decreased revenues in TeamStaff's Medical Staffing division accounted for approximately $3,200,000 less revenue, while our PEO division accounted for approximately $3,900,000 less revenue. TeamStaff's Medical Staffing business, TeamStaff Rx, has, on a percentage of revenue basis, historically been our fastest growing business segment. However, in comparison to the second fiscal quarter of 2002, revenue for this segment decreased by 17%. This decrease has partially been attributed to our closing of the division's Houston, Texas office in April 2002. This office was primarily involved in staffing per diem nurses in the local Houston market. The overhead necessary to support per diem nursing did not justify keeping this business segment in operation. In addition, due to the increased number of temporary medical staffing companies that have appeared over the last few years, our Medical Staffing business segment is facing increased competition from a number of companies. While many of these companies had traditionally concentrated in the nursing market, they have expanded their operations into markets, such as imaging personnel staffing, where TeamStaff Rx has concentrated, and which previously were substantially less competitive. Also contributing to the decrease in revenues is the recent practice among hospitals of forcing overtime to permanent staff and replacing temporary positions with permanent hires. The PEO division's reduced revenue is being affected in part by the program, begun in the second fiscal quarter of 2002, to review the profitability of all PEO clients and effect price increases where appropriate to meet a targeted level of profitability. The declining economic conditions in the United States also contributed to a reduced workforce for our clients of approximately 4,000 worksite employees.

TeamStaff's revenues for the six months ended March 31, 2003 and 2002 were $80,318,000 and $89,223,000, respectively, which represents a decrease of $8,905,000, or 10.0%. Decreased revenues in TeamStaff's Medical Staffing division accounted for approximately $6,000,000, or 16%, less revenue while our PEO division accounted for approximately $3,000,000 less revenue. The reduced Medical Staffing and PEO revenues are a result of the same reasons stated above. This loss in PEO business was somewhat offset by revenue generated by our acquisition of the assets of Corporate

Staffing Concepts in January of 2002, which resulted in increased PEO division revenue of $1,100,000 for the six months ended March 31, 2003 compared to the same period last year.

Commenting on TeamStaff's performance, Donald W. Kappauf stated, "While our operating results for the quarter were disappointing, TeamStaff has posted a profit in all but two of the last 23 quarters. We remain focused on improving our technology systems and the sales and marketing efforts in each of our business units. In early April we undertook a cost containment program that resulted in over $2 million of annualized cost reductions or pricing increases. We have also purged a significant amount of business in our PEO unit over the last several months to improve both our risk metrics and our profitability per client and worksite employee. This has resulted in a larger than anticipated loss of worksite employees. However, new sales, which are increasing, are being added at substantially higher profit margins than those we lost. We also saw a significant loss of worksite employees at our existing clients, which we believe to be principally attributable to the current challenges of the U.S. economy. Going forward, we expect increased sales activity combined with moderate price increases for the balance of our fiscal year. We are also very encouraged by efforts in the information technology area that will have our PEO operations fully converted to a single software platform early in the fourth quarter of fiscal 2003."

Kappauf continued, "TeamStaff Rx has experienced a tightening market as new competitors have focused on the medical imaging market where we have specialized. This, coupled with hospitals and other clients seeking opportunities to reduce the use of `travelers' through increased hiring of permanent staff and pushing additional overtime on current staff, has also reduced orders and billing. We do not see this as a long-term solution for our clients. Although we have seen the temporary placement aspect of our business experience a dip, due to this recent trend we have seen growth in our permanent placement business, which has offset some of these losses. Some of our recent initiatives to increase profits in our medical staffing division include lower operating costs, the implementation of a proactive direct sales and marketing program, increased diversification of our sales focus in this division by the introduction of new specialties, and a new Director of Sales to drive our marketing efforts. We have also launched a new web site for our medical staffing division at www.teamstaffrx.com. Higher spending on external recruiting initiatives, which will have a long-term positive effect, has had a negative impact on the quarter. Over the last several weeks, however, we have, in fact, seen an increase in orders in our medical staffing business."

Kappauf also commented, "Our Payroll business, which has maintained 90% client retention and consistent gross profit margins of over 55%, is now poised for future geographic growth. We have been developing a new web-enabled front end to our payroll program through our BrightLane division. This program is in a testing mode and due to be released early in our fourth quarter of fiscal 2003. When fully deployed this will allow us to effectively market our payroll service bureau business to geographic markets outside of the greater metropolitan New York area and further reduce costs."

ABOUT TEAMSTAFF

Headquartered in Somerset, NJ, TeamStaff serves over 3,000 clients and over 45,000 employees throughout the United States as a full service provider of employer outsourcing and staffing solutions. Through its Professional Employer Organization, TeamStaff provides small and medium sized businesses throughout the nation with a better way to employ their people by delivering off-site, full-service human resource outsourcing solutions.

TeamStaff's comprehensive employer services include employment administration, benefits management, government compliance, recruiting and selection, employer liability management, training and development and performance management tools. TeamStaff's PEO ranks as one of the top PEOs in the nation .

In addition to its Professional Employer Organization, TeamStaff operates two other employer-outsourcing services. Through TeamStaff Rx, TeamStaff provides temporary and permanent medical staffing services throughout the country and is the largest provider of medical imaging personnel in its field.

TeamStaff also operates DSI, its niche payroll service bureau offering payroll services and payroll tax processing to over 700 clients and 30,000 employees, mostly in the construction industries in New York and New Jersey.

For more information, visit the TeamStaff web site at www.teamstaff.com.

The statements contained in this press release that are not historical facts are forward-looking statements that involve a number of risks and uncertainties. Therefore, the actual results of future events described in such forward-looking statements could differ materially from those stated in such forward-looking statements. Among those factors that could cause actual results to differ materially are: (i) regulatory and tax developments; (ii) changes in direct costs and operating expenses; (iii) the estimated costs and effectiveness of capital projects and investments in technology infrastructure; (iv) ability to effectively implement its e-business strategy and operating efficiency initiatives; (v) the effectiveness of sales and marketing efforts, including the company's marketing arrangements with other companies: and (vi) changes in the competitive environment in the PEO industry. These factors are described in further detail in TeamStaff's filings with the Securities and Exchange Commission.

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TEAMSTAFF, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

	FOR THE THREE MONTHS ENDED March 31, 2003 Unaudited	FOR THE THREE MONTHS ENDED March 31, 2002 AS RESTATED Unaudited
REVENUES	$ 37,947,000	$ 45,028,000
DIRECT EXPENSES	32,833,000	37,514,000
Gross profit	5,114,000	7,514,000
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	7,783,000	6,838,000
GOODWILL IMPAIRMENT WRITE DOWN	20,396,000	--
INTANGIBLE IMPAIRMENT WRITE DOWN	5,700,000	--
DEPRECIATION AND AMORTIZATION	318,000	289,000
Income (loss) from operations	(29,083,000)	387,000
OTHER INCOME (EXPENSE)		
Interest and other income	132,000	274,000
Interest expense	(104,000)	(19,000)
	28,000	255,000
Income (loss) before tax	(29,055,000)	642,000
INCOME TAX EXPENSE	3,098,000	(198,000)
Net income (loss)	$(25,957,000)	$ 444,000
EARNINGS (LOSS) PER SHARE - BASIC & DILUTED	$ (1.65)	$ 0.03
BASIC AVERAGE SHARES OUTSTANDING	15,755,702	16,067,679
DILUTED SHARES OUTSTANDING	15,755,702	16,201,497

TEAMSTAFF, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

	FOR THE SIX MONTHS ENDED March 31, 2003 Unaudited	FOR THE SIX MONTHS ENDED March 31, 2002 AS RESTATED Unaudited
REVENUES	$ 80,318,000	$ 89,223,000
DIRECT EXPENSES	68,215,000	73,735,000
Gross profit	12,103,000	15,488,000
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	14,474,000	13,708,000
GOODWILL IMPAIRMENT WRITE DOWN	20,396,000	--
INTANGIBLE IMPAIRMENT WRITE DOWN	5,700,000	--
DEPRECIATION AND AMORTIZATION	658,000	691,000
Income (loss) from operations	(29,125,000)	1,089,000
OTHER INCOME (EXPENSE)		
Interest and other income	327,000	588,000
Interest expense	(170,000)	(32,000)
	157,000	556,000
Income (loss) before tax	(28,968,000)	1,645,000
INCOME TAX EXPENSE	3,096,000	(574,000)
Net income (loss)	$(25,872,000)	$ 1,071,000
EARNINGS (LOSS) PER SHARE - BASIC & DILUTED	$ (1.64)	$ 0.07
BASIC AVERAGE SHARES OUTSTANDING	15,772,550	16,069,031
DILUTED SHARES OUTSTANDING	15,772,550	16,265,240