

**DEPARTMENT OF THE NAVY
FAMILY HOUSING - 2005 BUDGET ESTIMATES
JUSTIFICATION
NAVY**

OPERATING EXPENSES

The FY 2005 estimated program represents the Navy Family Housing requirements using Office of Management and Budget inflation factors and foreign currency exchange rates. Reconciliation of estimates is provided for each program element as follows:

MANAGEMENT

<u>FY 2004</u>	<u>FY 2005</u>
\$57,487,000	\$68,118,000

Reconciliation of Increases and Decreases

		<u>(Dollars in Thousands)</u>
1.	FY 2004 President's Budget Request	65,188
2.	FY 2004 Appropriated Amount	57,487
3.	FY 2004 Current Estimate	57,487
4.	Pricing Adjustments	693
a.	Civilian Personnel Compensation	407
b.	Inflation	287
5.	Program Increases	9,938
a.	Historic Execution Rate Adjustment	9,938
6.	FY 2005 President's Budget Request	68,118

RATIONALE FOR CHANGES IN THE MANAGEMENT ACCOUNT.

Pricing adjustments are proposed in the Management account for Civilian Personnel Compensation and Inflation. The program increase reflected is to align the account to historic execution rates in an attempt to avoid in-year reprogramming into this account.