

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

SERVICES

<u>FY 2004</u>	<u>FY 2005</u>
\$50,330,000	\$46,671,000

Reconciliation of Increases and Decreases

		<u>(Dollars in Thousands)</u>
1.	FY 2004 President's Budget Request	52,062
2.	FY 2004 Appropriated Amount	50,330
3.	FY 2004 Current Estimate	50,330
4.	Pricing Adjustments	813
a.	Civilian Personnel Compensation	2
b.	Inflation	372
c.	Working Capital Fund	439
5.	Program Decreases	(7,538)
a.	Inventory reduction	(7,538)
6.	Program Increases	3,066
a.	Inventory Increases	203
b.	Historic Execution Rate Adjustment	2,863
7.	FY 2005 President's Budget Request	46,671

RATIONALE FOR CHANGES IN THE SERVICES ACCOUNT.

Pricing adjustments are proposed in the Services account for Civilian Personnel Compensation, Inflation, and Working Capital Fund. Program increases are for revitalized homes coming back on line. The program increase reflected is to align the account to historic execution rates in an attempt to avoid in-year reprogramming into this account. Program decrease reflects those units being pulled off of line primarily due to PPV execution and demolition.