

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

**MAINTENANCE**

<u>FY 2004</u>	<u>FY 2005</u>
\$315,111,000	\$191,670,000

Reconciliation of Increases and Decreases

		<u>(Dollars in Thousands)</u>
1. FY 2004 President's Budget Request		312,363
2. FY 2004 Appropriated Amount		315,111
3. FY 2004 Current Estimate		315,111
4. Pricing Adjustments		4,224
a. Civilian Personnel Compensation	259	
b. Inflation	2,538	
c. Working Capital Fund	1,427	
5. Program Decreases		(128,257)
a. Historic Execution Rate Adjustment	(13,445)	
b. Program Efficiencies	(10,529)	
c. Inventory Reduction	(44,365)	
d. Service Level Reduction	(47,918)	
e. Programmatic Reduction	(12,000)	
6. Program Increases		592
a. Inventory Increase	592	
7. FY 2005 President's Budget Request		191,670

**RATIONALE FOR CHANGES IN THE MAINTENANCE ACCOUNT.**

Pricing adjustments are proposed in the Maintenance Account for Civilian Personnel Compensation, Inflation, and Working Capital Fund. Program decreases reflect:

- a.) Necessary adjustments so that must-pay accounts have sufficient money in an attempt to avoid in-year reprogramming from this account.
- b.) Reductions due to decreased BP-22 Major Repair requirements based on improved quality of remaining inventory.
- c.) Decreases due to inventory reductions due to PPV.
- d.) Service Level Reduction which funds 80% of the total Maintenance requirement and,
- e.) A one-time Programmatic Reduction that moved \$12M to MILCON.

Program increases are for additional homes coming on line in Japan and Guantanamo Bay.