

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

MAINTENANCE

<u>FY 2004</u>	<u>FY 2005</u>
\$67,686,000	\$60,713,000

Reconciliation of Increases and Decreases

		<u>(Dollars in Thousands)</u>
1.	FY 2004 President's Budget Request	65,429
2.	FY 2004 Appropriated Amount	67,686
3.	FY 2004 Current Estimate	67,686
4.	Pricing Adjustments	1,326
a.	Civilian Personnel Compensation	519
b.	Inflation	807
5.	Program Decreases	(9,254)
a.	Inventory reduction	(2,473)
b.	Reduced funding for backlog reduction	(6,781)
6.	Program Increases	955
a.	Inventory increase	955
7.	FY 2005 President's Budget Request	60,713

RATIONALE FOR CHANGES IN THE MAINTENANCE ACCOUNT.

Funding estimate proposed in the Maintenance Account provides for price and program increases associated with inflation and required to maintain new and existing family housing units. Program increases are costs associated with maintenance service contracts to allow for maintaining the basic level of occupant service calls, change of occupancy, and routine maintenance, maintenance repair projects (less than \$15K), self-help materials, and energy conservation projects. This funding profile is necessary to prevent deterioration of housing assets resulting in degradation of quality of life for Marine Corps families, the closure of units and greater financial outlays in the out-years. Program decrease reflects reductions in maintenance requirements for units off line or permanently removed from the inventory through demolition or privatization, and a reduction in maintenance/repair project requirements below FY2004 levels.