

EVALUATION OF REGIONAL EXPENDITURE POLICY ON THE QUALITY OF PUBLIK SERVICES

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A B S T R A C T

This research is motivated by sanitation services provided by the Baubau City Environmental Agency continue to face challenges, particularly delays in waste collection caused by limited operational budgets. This situation underscores the critical need for the precise implementation of local budget policies to support improvements in the quality of service delivered to the public. Purposes this study aims to provide an overview of the implementation of regional budget policies and the quality of public services, while also examining the impact of regional expenditure management on the quality of public services at the Baubau City Environmental Agency. The number of participants included. Sample this study involved 40 individuals, comprising employees of the Environmental Agency and residents of Baubau City. Method the approach used in this study is quantitative, employing a research design that combines descriptive and verification analyses. Based on results the analysis of regional expenditure policy yielded an average score of 4.26 classified as "very good" indicating that the regional expenditure management process has been implemented effectively. Public service delivery recorded an average score of 4.25, also rated as "very good," signifying a satisfactory service experience for the public; meanwhile, regional expenditure management was found to have a significant, positive influence on the quality of public services at the Baubau City Environmental Agency. The study aconclusion that regional expenditure policy and the quality of public services at the Baubau City Environmental Agency demonstrate a very high level of achievement. Furthermore, the management of regional expenditure is proven to enhance the quality of public services, exerting a positive and significant influence.

INTRODUCTION

Population growth, coupled with rising consumption patterns and economic activity across various regions, contributes to an increase in the volume of waste generated by community activities. If not managed properly, this situation can lead to environmental pollution and health issues—stemming from soil and water contamination at final disposal sites (TPA) as well as the spread of diseases caused by accumulated waste.

The "value for money" concept is employed in public sector organizational governance, resting on three key components: economy, efficiency, and effectiveness. The economy aspect measures the ratio of inputs to input value in monetary terms, while efficiency assesses the relationship between outputs and inputs based on established targets or performance standards. Effectiveness, meanwhile, indicates the ratio of outcomes to outputs (Kadinda, 2023). Implementing value for money in public sector organizations can influence the efficiency of public service fund utilization, foster more targeted service delivery, shape fund allocation that prioritizes the public interest, and strengthen accountability regarding the management of public funds (Masdianah et al., 2024).

Government Regulation No. 71 of 2010 defines regional expenditure as outlays made by the state or regional general treasurer that reduce the budget balance during the relevant fiscal year without a corresponding repayment to the local government; meanwhile, the budget serves as an instrument for managing government spending activities and a means of securing revenue and financing (Bawimbang et al., 2021). In government administration, budgets are typically prepared on an annual basis, although under certain conditions, the preparation period may span less or more than one year (Wirawan Suhaedi, 2019). Respondents' perceptions regarding the quality of regional expenditure implementation supporting sanitation and waste

management services encompass discipline, allocation accuracy, timeliness, efficiency and effectiveness, as well as accountability and transparency (Fatasyeh & Nawatmi, 2025). Law Number 25 of 2009 clearly mandates that public services provide legal certainty, transparent mechanisms, defined timeframes, clear cost structures, and the fulfillment of the right to equitable service (Mozin et al., 2025). Respondents' perceptions of public service quality are measured using indicators such as tangibles, reliability, responsiveness, assurance, and empathy. Meeting the needs of service recipients through the provision of adequate public services plays a significant role in enhancing public satisfaction among service users (Ramadhan, 2024).

Waste management efforts to date have not been fully optimized across various aspects, including service provision, operational and maintenance expenditures, institutional arrangements, regulatory frameworks, and public participation (Sutrisno et al., 2023). Currently, waste management funding relies solely on revenue from fees paid by the public, even though various other financing sources could be tapped into through an integrated waste management system (Amaysah et al., 2024). Sanitation services in Baubau City continue to face challenges. Public complaints regarding delayed waste collection in several areas indicate that the quality of public sanitation services is suboptimal, with waste sometimes left uncollected for approximately two days. This situation stems from delays in supplying fuel for the waste collection fleet due to the unavailability of operational funds. The issue does not stem from labor strikes but rather from administrative and budgetary constraints that hinder the optimal operation of service vehicles—a situation reportedly recurring, particularly during the transition between fiscal years (Sumatan, 2026).

Research by Sirajuddin (2014) indicates that the implementation of Regional Regulation No. 8 of 2009 in Makassar City aligns with public policy implementation models, specifically regarding the appropriateness of problem resolution, accuracy of application, targeting precision, and environmental suitability. Findings by Alfionita Mila (2020) demonstrate a strong link between service quality and public satisfaction, reflected in a coefficient of 72.7%. Meanwhile, a study by Srisaparmi et al. (2025) reveals that the execution structure of the Regional Budget (APBD) remains centered on operational expenditure—with a significant portion allocated to personnel costs—thereby reducing the fiscal space available to fund development. Research by Kurnia et al. (2025) confirms that the distribution of regional expenditure budgets significantly impacts public satisfaction, particularly regarding capital expenditure. A study by Ananda et al. (2021) establishes a direct relationship between variable X and variable Y, indicated by correlation strengths of 0.899 for organization and 0.989 for implementation, with the correlation coefficients showing significant positive results. These findings suggest that the quality of regional expenditure (encompassing planning, allocation, and budget execution) is potentially linked to the quality of services received by the public. Based on these prior studies, the researcher selected the title "Evaluation of Regional Expenditure Policy on Public Service Quality (A Case Study of the Baubau City Environmental Agency)," focusing on an examination of regional expenditure policy implementation and public service quality, as well as an assessment of how regional expenditure policy affects the quality of public services at the Baubau City Environmental Agency.

METHODOLOGY

This study employs a quantitative approach utilizing a descriptive and verificative research design. The quantitative approach is applied to examine the relationships between research components through numerical data and statistical analysis, while the descriptive and verificative designs aim to describe the characteristics of the research variables and test the previously established hypotheses (Sugiyono, 2020). The sources of information for this study include primary data collected through questionnaires administered to respondents, accompanied by brief interviews, while secondary data were obtained from the Government Agency Performance Accountability Report (LAKIP), Notes to the Financial Statements (CaLK), and employee performance evaluation documents from the Baubau City Environmental Agency.

According to Munandar (2022), a population is defined as the aggregate of research elements possessing specific characteristics that are examined to form the basis for drawing conclusions. The research population comprises all employees of the Baubau City Environmental Agency and members of the public interacting with the agency's services, totaling 40 respondents. The study employs purposive sampling—a selection process guided by specific criteria or requirements to obtain the necessary information (Saputri, 2023).

This study was conducted at the Baubau City Environmental Agency between January and May 2026, employing data collection methods that included questionnaires, interviews, and documentation. Data collection was carried out directly using questionnaires designed to elicit information regarding the research variables (Sari et al., 2025). The instrument used to gather research data was a questionnaire based on a 1-to-5 Likert scale, with scores ranging from 1 (strongly disagree) to 5 (strongly agree) (Widagdo et al., 2020). The data analysis procedure employed in this study comprised descriptive analysis to outline respondent profiles and the status of each research variable, instrument assessment via validity and reliability testing, evaluation of classical assumptions, and hypothesis testing.

RESULTS & DISCUSSION

Descriptive Analysis

Descriptive analysis is employed to describe the status of the research variables based on processed respondent questionnaire data.

Table 1. Summary of Regional Expenditure Policy Scores

No	Statement Item	Total Score	Mean	Category
1	P1	163	4,08	High
2	P2	172	4,30	Very High
3	P3	174	4,35	Very High
4	P4	177	4,43	Very High
5	P5	166	4,15	High
6	Total	852	4,26	Very High

Source: Primary Data Processing, 2025

The results in Table 1 show that the mean value for variable X reached 4.26, falling into the "very high" or "very good" category; these findings reflect that, overall, respondents provided a positive response regarding the regional expenditure policy variable.

Table 2. Summary of Public Service Quality Scores

No	Statement Item	Total Score	Mean	Category
1	P1	161	4,03	High
2	P2	174	4,35	Very High
3	P3	163	4,08	High
4	P4	174	4,35	Very High
5	P5	177	4,43	Very High
6	Total	849	4,25	Very High

Source: Primary Data Processing, 2025

Table 2 shows that the mean score for variable Y reached 4.25, falling into the "very high" or "very good" category; this indicates that, overall, respondents hold a positive view regarding the quality of public services at the Baubau City Environmental Agency.

Validity Test

According to Afrianto et al. (2024), a questionnaire statement is considered valid if it accurately represents the concept being measured; validity is assessed by examining item-total correlation values using SPSS—calculated via Pearson correlation at a 5% significance level. The validity analysis results show that the calculated r-value for each statement exceeds the r-table value (0.312); thus, all statements meet the validity criteria.

Reliability test

A reliability assessment was conducted to determine whether the variables within the questionnaire instrument yielded stable and consistent results. According to Afrianto et al. (2024), reliability testing evaluates the consistency and stability of the obtained data; if data lack reliability, their use in research should be avoided, as this could lead to biased conclusions. The reliability assessment

showed that each variable achieved a Cronbach's alpha value exceeding 0.60, indicating an adequate level of reliability.

Classical Assumption Test

Normality Test

The normality test aims to assess whether the research variables exhibit a data distribution that conforms to a normal distribution. In this study, normality was assessed using the Lilliefors (Kolmogorov-Smirnov) test; data are considered normally distributed if the significance level exceeds 0.05 (Aprianti & Nur Asyik, 2020). The normality analysis results indicate that the entire dataset satisfies the normality assumption. This fulfillment is evidenced by a significance value of 0.200—exceeding the 0.05 threshold—and is further supported by the Normal P–P Plot of Regression Standardized Residuals, which shows data points clustered near the diagonal line and tending to follow its path.

Heteroskedasticity Test

A heteroscedasticity test is conducted to identify potential variations in residual variance across observations within a regression equation. According to Aprianti and Nur Asyik (2020), a regression model is considered high-quality if the residuals for each observation exhibit consistent variance, thereby satisfying the condition of homoscedasticity. The presence of heteroscedasticity can be assessed by examining the distribution of points on a graph; if the points are scattered without forming a discernible pattern above and below the zero mark on the Y-axis, the model is free from heteroscedasticity. The heteroscedasticity test revealed a random distribution of points, indicating no signs of heteroscedasticity in the research data.

Hypothesis Testing

t-Test

The t-test serves to identify the individual contribution of each independent variable to the dependent variable, using a significance level of 0.05 (Sudariana & Yoedani, 2021).

Table 3. t-Test Results

Table 3.1. Test Results								
Model		Coefficients ^a			t	Sig.	Collinearity Statistics	
		Unstandardized Coefficients		Standardized Coefficients			Tolerance	VIF
		B	Std. Error	Beta				
1	(Constant)	5,943	1,750		3,396	,002		
	REGIONAL EXPENDITURE POLICY	,717	,082	,819	8,786	,000	1,000	1,000
a. Dependent Variable: PUBLIC SERVICE								

a. Dependent Variable: PUBLIC SERVICE

Source: Data Processing with SPSS 26

The information in Table 3 shows that the significance value for the regional expenditure policy variable (X) is 0.000—which is less than 0.05—thereby demonstrating that the regional expenditure policy variable (X) has a significant influence on the public service quality variable.

Coefficient of Determination (R²)

The measurement of the coefficient of determination (R²) aims to assess the extent to which the independent variable (X) explains the changes occurring in the dependent variable (Y). The R² value ranges from 0 to 1; an R² of 0 indicates no relationship between the independent and dependent variables, whereas an R² of 1 reflects a perfect relationship between them (Sudariana & Yoedani, 2021). The analysis yielded an R² (or R-Square) value of 0.670, demonstrating a strong influence of the Regional Expenditure Policy variable on the Public Service variable, accounting for 66.1% of the variance, while the remaining 33.9% is attributable to other variables outside the scope of this study.

Implementation of Regional Expenditure Policy at the Baubau City Environmental Agency

The analysis reveals that the regional expenditure policy variable recorded a mean score of 4.26 falling within the 4.21–5.00 range and is classified as "very good." This result indicates that, in the view of the respondents, the implementation of regional expenditure policy by the Baubau City Environmental Agency has generally been carried out optimally. This assessment indicates that

respondents consider the regional expenditure management process to have been carried out in accordance with organizational needs, encompassing stages ranging from planning formulation, budget allocation, and program implementation to the submission of accountability reports regarding budget utilization.

“Although an interview with Mr. Fauzan Zulham Head of the Solid and Hazardous Waste Management Division at the Baubau City Environmental Agency revealed a delay in budget disbursement caused by the administrative and adjustment processes required at the start of the fiscal year, this situation was merely temporary, as disbursement operations returned to normal by February. This indicates that the implemented local expenditure policy has been appropriately directed toward meeting community needs and supporting the achievement of organizational goals”

The high performance achieved by the regional expenditure policy variable indicates that budget management has adhered to principles of quality regional financial governance. Available funds are allocated to programs that directly benefit the community such as waste management, city park maintenance, environmental sanitation improvements, and various activities supporting environmental quality.

This aligns with the "Value for Money" concept, which prioritizes the principles of economy, efficiency, and effectiveness in the management of public funds. The principle of economy is reflected in the Baubau City Environmental Agency's ability to utilize its budget in accordance with program needs and priorities. The principle of efficiency is evident in the organization's capacity to leverage a limited budget to deliver optimal sanitation and environmental management services. Meanwhile, the principle of effectiveness is demonstrated by the achievement of organizational performance targets and the realization of tangible benefits for the community—such as improved environmental cleanliness, better waste management services, and the availability of supporting service facilities. Consequently, the implemented local government spending policy focuses not merely on budget execution but also on generating impacts felt by the community and enabling the organization to meet its targets in line with the Value for Money concept.

These findings are consistent with the research of Kurnia et al. (2025) and Srisaparmi et al. (2025), which suggest that the precise and efficient management and allocation of regional expenditure are crucial factors in improving organizational performance and enhancing the quality of public services. The better the budget management by local governments, the greater the likelihood of achieving organizational performance targets and increasing public satisfaction with the services provided.

Public Service Quality at the Baubau City Environmental Agency

The analysis reveals that the mean score for the public service quality variable reached 4.25—falling within the 4.21–5.00 range—which indicates a "very high" or "excellent" classification. This result demonstrates that the public generally holds a very positive view of the public services provided by the Baubau City Environmental Agency. Such a high average score indicates that service delivery has successfully addressed needs, met expectations, and ensured public satisfaction, particularly regarding environmental cleanliness services and waste management.

These results are supported by findings regarding the first research question, which indicate that the implementation of the regional expenditure policy has proceeded very effectively. The findings demonstrate that budget management has adhered to the "economy" principle within the Value for Money framework. This principle of economy is reflected in the organization's ability to allocate the budget in alignment with the needs and priorities of public service programs. The budget is utilized in a targeted manner to support activities that benefit the community, thereby enabling optimal resource utilization without waste. Consequently, the regional expenditure policy focuses not merely on the magnitude of the budget spent but also considers the precision of budget distribution in supporting the achievement of organizational objectives.

Furthermore, the analysis regarding the second research question indicates that the public service quality provided by the Baubau City Environmental Agency is rated as "excellent" by the community. These results suggest that the services offered effectively meet the community's needs and expectations, particularly in the areas of environmental cleanliness and waste management. This high quality of public service is underpinned by regional expenditure policies that have been managed optimally; the allocated budget supports the provision of service facilities and infrastructure, waste collection operations, and the workforce necessary to ensure smooth service delivery to the public.

This study also demonstrates the application of efficiency and effectiveness principles in regional financial management. The principle of efficiency is evident in the organization's ability to

utilize available resources to deliver optimal services, while organizational effectiveness is reflected in the achievement of performance goals in accordance with established guidelines and rising levels of public satisfaction with the services provided. Consequently, budget utilization extends beyond merely achieving outputs such as the implementation of various programs and activities to delivering outcomes that include improved public service standards, enhanced environmental quality, and greater community well-being.

Based on these findings, the positive and significant link between local government spending policies and the quality of public services is not merely supported by statistical evidence but is also corroborated by empirical realities at the research site. Sound budget management facilitates the achievement of organizational performance targets, enhances the effectiveness of program implementation, and results in higher-quality public services.

These results align with the studies by Kurnia et al. (2025), Ananda et al. (2021), and Alfionita Mila (2020), which indicate that local government spending, policy implementation, and public service quality contribute positively and significantly to public satisfaction.

CONCLUSION

The analysis and discussion reveal that the regional expenditure policy of the Baubau City Environmental Agency achieved an average score of 4.26, placing it in the "very high" category. Meanwhile, the quality of public services provided by the agency recorded an average score of 4.25, also falling into the "very high" category. Furthermore, hypothesis testing demonstrates a positive and significant influence of regional expenditure policy on public service quality; thus, effective budget management can strengthen the achievement of organizational performance goals and drive improvements in the quality of service delivered to the public.

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