

Determinants of The Effectiveness of The Joyotakan Village Expenditure Budget in 2021–2025

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ABSTRACT.

This study aims to analyze the determinants of budget effectiveness in Joyotakan Village, Serengan District, Surakarta City for the 2021–2025 period. The study uses a quantitative approach with quarterly budget realization data obtained from the Budget Implementation Document (DPA) and Budget Realization Report (LRA) of Joyotakan Village. The variables studied include Timeliness of Budget Absorption, Budget Absorption Rate, Deviation of Realization to Budget Target, Proportion of Direct Expenditure to the Community, and Expenditure Growth as independent variables, and budget effectiveness as the dependent variable. Data analysis was conducted using multiple linear regression with classical assumption testing. The results show that all independent variables simultaneously influence budget effectiveness. Partially, Deviation of Realization to Budget Target proved to be a significant and dominant factor influencing budget effectiveness, while other variables did not show a significant influence. These findings indicate that the accuracy of budget planning and target setting plays a very important role in improving the effectiveness of budget management at the village level.

Keywords: Budget Effectiveness, Deviation of Budget Realization, Budget Absorption, Timeliness, Village Financial Governance.

INTRODUCTION

The sub-district is the government unit closest to the residents, which is structurally under the sub-district (local state government) to carry out public affairs on a micro scale. Okparizan & Septian (2017). shows that after the issuance of Law No. 23/2014, the authority of the village is more prominent in the coordination, facilitation, and basic service functions rather than the political "steering" function, so that the performance of the village is influenced by policies and resources from the higher levels. From a public administration perspective, granting full authority to the village is a mandatory requirement, in order to realize the effectiveness and efficiency of government administration, as well as encourage an increase in the quality of public services at the regional level. The village government plays a key role in the successful implementation of development programs and community empowerment.

Joyotakan Village, Serengan District, is a relatively dense urban area in Surakarta City, with typical urban social and economic challenges, such as high population mobility and the need for rapid service delivery. This situation demands responsive and effective village budget management to ensure optimal implementation of development programs and services.

The success of village programs is closely linked to budgetary support. The budget is the primary policy instrument used by the government to allocate public resources effectively, efficiently, and accountably.(Mardiasmo, 2009)At the village level, the budget serves as the operational basis for implementing development programs, public services, and community empowerment (Minister of Home Affairs Regulation No. 130 of 2018). The village budget embodies fiscal decentralization, enabling lower-level governments to independently carry out administrative and service functions within the context of regional autonomy. The effectiveness of village budget utilization is determined by the quality of planning, implementation, and oversight of fund use. Therefore, a proper understanding of the budget structure and mechanisms in villages is crucial for creating transparent and participatory governance. The budget is not merely a financial document at the village level, but rather an instrument for driving participatory development, ranging from MSME outreach, training, and capital assistance.

Budget effectiveness is important to examine because it is the main indicator in assessing the extent to which local governments are able to realize development programs according to planned priorities and allocations.Simamora & Budiwitjaksono (2022)emphasized that the effectiveness of regional spending, including capital spending, has a direct impact on the financial performance of regional governments.Zein et al. (2024)shows that financial performance and government spending can significantly drive regional economic growth if implemented effectively.Kusuma & Budiwitjaksono (2023)stated that the effectiveness and efficiency of budget realization are important benchmarks for realizing regional financial governance that is accountable and responsive to community needs. Budget effectiveness is crucial to ensuring that public funds are optimally utilized for the welfare of the community.

Timeliness of Budget Absorption is one of the main indicators for measuring the effectiveness of budget implementation within government agencies. Delays in budget absorption result in delayed work program implementation and a decline in the quality of public services.(S. Santoso et al., 2024). A budget that is not absorbed according to the planned time reflects weak planning and coordination between work units, as well as the potential for a buildup of budget realization at the end of the fiscal year.(Kuntadi & Dian Rosdiana, 2022).Zulfaturrohmah et al. (2021)emphasized that slow budget realization in the higher education sector impacts low absorption of budget allocations and disrupts the achievement of overall program outputs. Timely budget absorption directly impacts the success of activity implementation and the effectiveness of public budget utilization, including within the village government.

The Budget Absorption Rate is a crucial indicator that reflects the extent to which budget implementation is proceeding according to established plans. High budget absorption indicates that the activities outlined in the budget document are actually being implemented, which ultimately has a positive impact on the effectiveness of public budget utilization. ResearchSutono et al. (2022)This indicates that low budget absorption rates are often caused by weak planning and coordination

across work units, which can hinder the achievement of program outputs and outcomes. Budget absorption indicators also play a role in evaluating government financial performance, as they can identify discrepancies between budget plans and realization.(Safriansah et al., 2021)Suboptimal budget absorption can signal weak regional financial governance, which directly impacts the low effectiveness of government spending.

The Deviation of Actual Budget Targets reflects the extent to which the established budget plan is effectively implemented. A discrepancy between planned and actual budgets indicates problems with planning accuracy, technical implementation, and financial management within government agencies.Ratnasari (2022)shows that deviations occur due to several factors, such as policy changes, delays in administrative processes, and less than optimal coordination between work units, which ultimately hamper the effectiveness of government spending.Rahayuningsih & Syaflan (2024)emphasizes the importance of synchronizing fund withdrawal plans with budget realization to minimize deviations that can lead to accumulated spending at the end of the fiscal year and a decline in the quality of activity output. Therefore, budget deviation needs to be examined as a variable influencing budget effectiveness, particularly in the context of sub-districts, which rely on the budget as a primary source for implementing service and development programs.

The proportion of direct spending on the community is the portion of the budget allocation that directly finances the implementation of programs or activities that have a direct impact on community welfare.Bawimbang et al., (2021)shows that direct spending has a significant influence on reducing poverty levels, because the budget is used for public services and development activities that directly target the needs of the community.Tarigan et al. (2023)emphasizes that the use of direct spending in performance-based budgeting reflects the effectiveness of achieving regional government program output targets. Therefore, measuring the proportion of direct spending to the community in relation to budget effectiveness is important because it indicates the extent to which regional fiscal policies are successfully translated into relevant, measurable activities whose benefits are directly felt by village residents.

Regional spending growth is an indicator that reflects the government's commitment to encouraging sustainable development and public services.Nirvana & Trisuswanto (2023)stated that balanced and efficient spending growth is able to create harmony in budget allocation, which ultimately supports the effectiveness of implementing government programs.Fauziyah & Ekaningtias (2022)The study emphasized that expenditure growth, particularly from operational and capital expenditures, has a significant impact on improving regional financial performance, including in terms of the efficiency and effectiveness of budget use.Alifah et al. (2023)found that growth in capital expenditure budget allocations is influenced by various fiscal and policy factors, but the sustainability of this growth is a determining factor in the success of budget utilization. Therefore, it is important to examine how

year-to-year expenditure growth impacts budget effectiveness, as fluctuations or undirected growth can create inefficiencies, budget deviations, and reduced program outcomes at the village level.

The regional budget cycle at the city government level, including sub-districts, is a complex and crucial series of processes for regional financial management. This cycle encompasses five stages: planning (RPJMD/RKPD), budgeting (RAPBD/DPA), program implementation, monitoring and evaluation, and accountability/reporting. Each stage of budget management plays a crucial role in creating a transparent and accountable governance system focused on improving the quality of public services. This process begins with identifying needs and involving stakeholders in planning, continues with program implementation supported by information technology integration, and concludes with monitoring and evaluation involving internal and external controls. All of these processes are interconnected and require inter-agency coordination, information transparency, and the use of technology to ensure that budget realization can be monitored quarterly to optimally achieve regional development goals.

The budget preparation process requires a comprehensive analysis, considering both effectiveness and efficiency in both its use and allocation. Mistakes in budget planning or allocation can directly impact the state's financial condition. Optimal regional financial management in accordance with applicable regulations will positively impact the financial performance of the relevant regional government agencies. (Kusuma & Budiwitjaksono, 2023) Budget performance analysis is crucial for evaluating the government's economic, efficient, and effective use of the budget (value for money). This analysis is included in the accountability report, namely the Regional Government Budget Realization Report (LRA). Government Regulation of the Republic of Indonesia Number 71 of 2010 states that the LRA consists of Revenue and Expenditure.

Various studies have shown that budget effectiveness is influenced by a number of technical and managerial factors. These include the timeliness of budget absorption, the level of budget absorption relative to the budget ceiling, the deviation of budget realization from the established target, and the proportion of direct spending that directly impacts the community. Furthermore, the trend of growth or increase in budget expenditures from year to year also indicates a pattern of consistency and sustainability of village government policies. Analysis of these variables is important to determine the extent to which budget implementation impacts spending effectiveness.

Research on the effectiveness of urban village budgets is crucial for providing an empirical picture of budget management performance at the grassroots level. Joyotakan Urban Village, located in Serengan District, Surakarta City, faces social complexity that requires measuring and analyzing relevant budget effectiveness and public service delivery. Timeliness of Budget Absorption demonstrates the urban village's ability to implement programs on schedule, thus avoiding delays that could degrade the quality of results. The Budget Absorption Rate reflects the extent to

which the allocated budget has been used for designated programs and activities. Deviation from target indicates the gap between plans and achievements, which is an important indicator in evaluating budget effectiveness. The Proportion of Direct Expenditure to the Community demonstrates the relationship between the budget and direct benefits to residents and community participation in urban village development. Meanwhile, Expenditure Growth between years reflects the commitment and consistency of budget use to support sustainable development.

Budget realization data for 2021–2025 can serve as a basis for evaluating budget implementation and its implications for program and activity outcomes. The results of this study are expected to provide an empirical overview of how various financial factors influence budget effectiveness at the village level, a factor that has received little attention in public administration research. They also serve as recommendations for improving the quality of budget planning and implementation in the future.

RESEARCH METHODS

This research design uses quantitative methods, secondary data collection, population sampling with purposeful sampling techniques and analyzed using multiple linear regression analysis methods. This research was conducted by collecting data from documents and financial reports for 2021-2025 from Joyotakan Village, Serengan District, Surakarta City. The data includes the Budget Implementation Document (DPA); the Operational Plan Report for Budget Implementation Activities (ROPAK); the Operational Implementation Report for Activities (POK); and the Budget Realization Report (LRA). The time period for the research was 3 months starting from data collection to the conclusion stage. The population used in this study was 60 monthly financial realization reports in Joyotakan Village, Serengan District, Surakarta City for the period 2021-2025. The data collection technique in this study used the documentation method, namely by collecting and reviewing monthly financial report documents from Joyotakan Village for the period 2021-2025. The data used is secondary data, sourced from budget realization reports and official sub-district financial reports.

The dependent variable in this study is budget effectiveness, Budget Realization is obtained from the Budget Realization Report (LRA) and Budget Target is obtained from the Budget Implementation Document (DPA) and the independent variables in this study are; Budget Implementation Operational Plan Report (ROPAK); Operational Activity Implementation Report (POK); and Budget Realization Report (LRA). The analysis tool in this study is multiple linear regression. The regression equation model used is as follows:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + e \text{ (Ghozali, 2015:86)}$$

Information:

Y : Budget Effectiveness Variable

X1 : Timeliness of Budget Absorption Variable

- X2 : Budget Absorption Rate Variable
X3 : Variable of Deviation of Realization to Budget Target
X4 : Variable Proportion of Direct Spending to the Community
X5 : Spending Growth Variable
a : constant
b1, b2, b3, b4, b5 : correlation coefficient
e : error term nuisance error.

RESULTS AND DISCUSSION

Multiple Linear Regression Test

a. Regression Model

Table 1 Multiple Linear Regression Test Results – Coefficients

Model	B (Unstandardized)	Std. Error	Beta (Standardized)	t	Sig.
(Constant)	47,188	5,396		8,745	,000
X1 – Punctuality	,003	,009	,023	,298	,767
X2 – Absorption Rate	,410	,087	,431	4,718	,000
X3 – Actual Deviation	-,188	,095	-,187	-	,054
				1,972	
X4 – Direct Spending Proportion	1,700	,593	,260	2,867	,006
X5 – Spending Growth	,176	,044	,346	3,960	,000

Source: Multiple Linear Regression Test Results

The regression model equation estimated in this study is as follows:

$$Y = 47.188 + 0.003X_1 + 0.410X_2 - 0.188X_3 + 1.700X_4 + 0.176X_5$$

The interpretation of each regression coefficient is as follows:

1) Constant (a = 47.188)

The constant value of 47.188 means that if all independent variables (Timeliness of Budget Absorption, Budget Absorption Rate, Deviation of Realization to Budget Target, Proportion of Direct Expenditure to the Community, and Expenditure Growth) are zero, then the average Budget Effectiveness of Joyotakan Village is 47.188%. This positive constant value indicates that there is a basic level of effectiveness inherent in the village budget management system regardless of the influence of the five independent variables studied.

2) Timeliness of Budget Absorption

The regression coefficient of the Budget Absorption Timeliness variable is 0.003, which is positive, meaning that every one percent increase in Budget Absorption Timeliness will increase Budget Effectiveness by 0.003%, assuming other variables remain constant. This coefficient is very small, indicating that this variable's contribution to budget effectiveness is very limited. The standardized

coefficient (Beta) value of 0.023 indicates a relatively weak influence compared to other independent variables.

3) Budget Absorption Rate

The regression coefficient of the Budget Absorption Rate variable is 0.410, which is positive, meaning that every one percent increase in the Budget Absorption Rate will increase Budget Effectiveness by 0.410%, assuming other variables are constant. This coefficient is the second largest in the model, indicating that the cumulative increase in budget absorption contributes significantly to the effectiveness of budget implementation. The standardized coefficient (Beta) value of 0.431 indicates that this variable is the first dominant predictor in the model.

4) Deviation of Realization against Budget Target

The Deviation of Realization to Budget Target variable has a negative regression coefficient of -0.188, meaning that every one percent increase in the Deviation of Realization to Budget Target will reduce Budget Effectiveness by 0.188%, assuming other variables remain constant. This negative coefficient direction is consistent with the theoretical expectation that the greater the deviation between realization and budget target, the lower the effectiveness of budget implementation. The standardized coefficient (Beta) value of -0.187 indicates a significant negative effect.

5) Proportion of Direct Spending to the Community

The regression coefficient of the variable Proportion of Direct Spending to the Community is 1.700 which is positive, meaning that every one percent increase in the Proportion of Direct Spending to the Community will increase Budget Effectiveness by 1.700%, assuming other variables are constant. This coefficient is the largest in the model from the unstandardized side, indicating that increasing the allocation of spending that directly targets the community has the greatest impact on budget effectiveness per unit change.

6) Spending Growth

The regression coefficient for the Expenditure Growth variable is 0.176, which is positive, meaning that every one percent increase in Expenditure Growth will increase Budget Effectiveness by 0.176%, assuming other variables remain constant. This positive coefficient indicates that sustainable budget growth contributes to increasing the effectiveness of village expenditure management. The standardized coefficient (Beta) value of 0.346 indicates that this variable is a fairly dominant predictor in the model.

Model Feasibility Test (F Test)

Table 2 Results of Model Feasibility Test (ANOVA)

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	31292,969	5	6258,594	22,653	,000b
Residual	14919,092	54	276,279		
Total	46212,061	59			

Source: Multiple Linear Regression Test Results, Appendix 4

Based on Table 2, the calculated F value is 22.653 with a significance value of 0.000. The significance value of 0.000 is smaller than the critical level of $\alpha = 0.05$, so the null hypothesis (H_0) is rejected and the alternative hypothesis (H_a) is accepted. This means that all independent variables simultaneously have a significant effect on the dependent variable, Budget Effectiveness.(Ghozali, 2018).

The multiple linear regression model built in this study is declared to be fit and can be used to analyze the influence of Timeliness of Budget Absorption, Budget Absorption Level, Deviation of Realization to Budget Target, Proportion of Direct Spending to the Community, and Spending Growth on the Effectiveness of the Joyotakan Village Spending Budget together.

Hypothesis Testing

Table 3. Hypothesis Test Results

Variables	B	Std. Error	Beta	t count	t table	Sig.	Decision
X1 – Timeliness of Absorption	,003	,009	,023	,298	±2,001	,767	H_1 Rejected
X2 – Budget Absorption Rate	,410	,087	,431	4,718	±2,001	,000	H_2 Accepted
X3 – Deviation of Actual to Target	-,188	,095	-,187	-1,972	±2,001	,054	H_3 Rejected
X4 – Direct Spending Proportion	1,700	,593	,260	2,867	±2,001	,006	H_4 Accepted
X5 – Spending Growth	,176	,044	,346	3,960	±2,001	,000	H_5 Accepted

Source: Multiple Linear Regression Test Results,

Based on Table 3, the interpretation of the hypothesis testing results is as follows:

- 1) H_1 : The Effect of Timeliness of Budget Absorption on Budget Effectiveness

The first hypothesis proposed in this study states that Timeliness of Budget Absorption has a significant effect on the Effectiveness of the Joyotakan Village Expenditure Budget. Based on the SPSS 27 output results in Table 4.3, the t-value for Timeliness of Absorption is 0.298 with a significance value of 0.767.

The significance value is greater than the critical limit $\alpha = 0.05$, so H1 is rejected, the variable Timeliness of Budget Absorption does not have a significant effect on Budget Effectiveness.

The positive regression coefficient (+0.003) indicates a positive, though not statistically significant, effect. This could mean that more timely absorption tends to increase budget effectiveness, but the effect is very small and statistically inconclusive.

The insignificance of this variable is likely due to the limited authority of the sub-district in determining the absorption schedule, because budget implementation is highly dependent on the policies and disbursement schedule of funds from the Surakarta City Government.

2) H2: The Effect of Budget Absorption Rate on Budget Effectiveness

The Budget Absorption Rate has a significant effect on the Effectiveness of the Joyotakan Village Expenditure Budget. Based on Table 4.8, the calculated t value for the Budget Absorption Rate is The second hypothesis states that the Budget Absorption Rate has a significant effect on the Effectiveness of the Joyotakan Village Expenditure Budget. Based on Table 4.8, the calculated t value for the Budget Absorption Rate is 4.718 with a significance value of 0.000.

The significance value of 0.000 is smaller than $\alpha = 0.05$, so H2 is accepted. The Budget Absorption Rate variable has a positive and significant effect on Budget Effectiveness.

A positive regression coefficient of 0.410 indicates that every one percent increase in the cumulative budget absorption rate will increase budget effectiveness by 0.410%, *ceteris paribus*.

These results prove that the realization of high budget absorption is a key indicator of the effectiveness of public spending management at the sub-district level, consistent with the approach *performance-based budgeting* (Mardiasmo, 2021).

3) H3: The Effect of Deviation of Budget Target Realization on Budget Effectiveness

The Deviation Variable of Realization against Budget Target produces a t-count value of The Deviation Variable of Realization against Budget Target produces a t-count value of -1.972 with a significance value of 0.054.

The significance value of 0.054 is greater than $\alpha = 0.05$, so H3 is rejected. The Deviation of Realization to Budget Target variable does not have a significant effect on Budget Effectiveness at the 5% significance level. Although not significant at $\alpha = 0.05$, the significance value of 0.054, which is very close to the critical limit, indicates a tendency for a negative influence. The negative regression coefficient (-0.188) indicates that the greater the deviation of realization from the target, the lower the budget effectiveness.

This insignificant borderline may be caused by a very large deviation data range (min -34.96% to max 100%) with high fluctuations, so that its relationship with budget effectiveness was not detected as statistically significant in the monthly sample used.

- 4) H4: The Effect of the Proportion of Direct Spending on the Community on Budget Effectiveness

The variable Proportion of Direct Spending to the Community produces a t-count value of The variable Proportion of Direct Spending to the Community produces a t-count value of 2.867 with a significance value of 0.006.

The significance value of 0.006 is smaller than $\alpha = 0.05$, so H4 is accepted. The variable Proportion of Direct Spending to the Community has a positive and significant effect on Budget Effectiveness.

The positive regression coefficient of 1.700 is the largest among all independent variables, indicating that increasing the allocation of direct spending to the community has the greatest impact on budget effectiveness per unit change.

These findings confirm that the quality of budget allocation, not just the nominal amount, is a determining factor in the effectiveness of spending at the sub-district level. Spending that directly addresses community needs reflects a budget orientation that favors the public interest.(Halim & Abdullah, 2020).

- 5) H5: The Effect of Spending Growth on Budget Effectiveness

The Expenditure Growth variable yields a t-test value of 3.960 with a significance value of 0.000. The significance value of 0.000 is smaller than $\alpha = 0.05$, so H5 is accepted. The Expenditure Growth variable has a positive and significant effect on Budget Effectiveness.

A positive regression coefficient of 0.176 with a standardized coefficient (Beta) of 0.346 indicates that Expenditure Growth is the second dominant predictor in the model. Consistent expenditure growth reflects the sub-district's commitment to continuously improving public service capacity.

Coefficient of Determination (R^2) Test

Table 6. Results of the Determination Coefficient Test

Information	Mark
R	,823 ^a
R Square (R^2)	,677
Adjusted R Square	,647
Standard Error of the Estimate	16.62166

Source: Multiple Linear Regression Test Results,

Based on Table 6, the multiple correlation coefficient (R) value is 0.823. The R Square (R^2) value of 0.677 indicates that 67.7% of the variation in the Effectiveness of the Joyotakan Village Expenditure Budget can be explained jointly by the five independent variables in the model, namely Timeliness of Budget Absorption, Budget

Absorption Level, Deviation of Realization to Budget Target, Proportion of Direct Expenditure to the Community, and Expenditure Growth.

The Adjusted R Square value of 0.647 is used as a more appropriate measure of goodness of fit because it takes into account the number of predictor variables in the model. The Adjusted R^2 value of 64.7% indicates that the model's ability to explain variations in budget effectiveness is quite good. The remaining 35.3% is explained by other variables not included in this research model.(Ghozali, 2018).

The Standard Error of the Estimate value of 16.622 indicates the model's average estimation error in predicting budget effectiveness. The smaller the Standard Error value, the more accurate the regression model is in predicting the value of the dependent variable.

The multiple correlation coefficient (R) of 0.823 indicates a strong relationship between the independent variables and the Budget Effectiveness variable. An R value approaching 1 indicates a strong association between the five predictors and the effectiveness of the village budget.

Table 7. Estimates of Partial Contribution of Independent Variables to R^2

No	Variables	Beta (β)	β^2	Partial Contribution ($\beta^2 \times 100\%$)
1	X1 – Timeliness of Absorption	0.041	0.001681	$\approx 0.1681\%$
2	X2 – Budget Absorption Rate	0.540	0.2916	$\approx 29.16\%$
3	X3 – Deviation of Actual to Target	-0.259	0.067081	$\approx 6.7081\%$
4	X4 – Direct Spending Proportion	0.363	0.131769	$\approx 13.1769\%$
5	X5 – Spending Growth	0.474	0.224676	$\approx 22.4676\%$
Total	All Variables (X1–X5)	–	–	$\approx 71.6807\%^*$

Source: Multiple Linear Regression Test Results, Appendix 4

Based on Table 7, the estimated partial contribution of each independent variable to the coefficient of determination (R^2) can be seen. The Budget Absorption Rate variable provides the largest partial contribution to R^2 of $\approx 29.16\%$, followed by Expenditure Growth of $\approx 22.47\%$, Proportion of Direct Expenditure to the Community of $\approx 13.18\%$, Deviation of Realization to Budget Target of $\approx 6.71\%$, and Timeliness of Budget Absorption of $\approx 0.17\%$.

The total estimated contribution of all independent variables reached $\approx 71.68\%$, which is quite consistent with the R^2 value of 67.7% (the small difference is due to the correlation effect between predictors). This finding strengthens the conclusion that the Budget Absorption Rate and Expenditure Growth are the most influential factors in determining the effectiveness of the Joyotakan Village spending budget.

DISCUSSION

1. The Influence of Timeliness of Budget Absorption on Budget Effectiveness

The results of the Hypothesis Test as presented in Table 4, show that the variable Timeliness of Budget Absorption obtained a t-value of 0.298 with a significance value of 0.767, far above the critical limit of $\alpha = 0.05$. These results indicate that Timeliness of Budget Absorption does not have a partial significant effect on the Effectiveness of the Joyotakan Village Expenditure Budget, so H1 is rejected.

The insignificant effect of the Timeliness of Budget Absorption may be due to the characteristics of the monthly budget data at the sub-district level, which shows a highly fluctuating absorption pattern with a very large standard deviation (242.46%). The monthly budget absorption pattern at the sub-district level does not always reflect the accuracy of planning, but is more influenced by the availability of funds from the city government and the activity implementation schedule set by superiors.

This finding is in line with researchS. Santoso et al., (2024)which found that administrative delays and minimal real-time monitoring meant that the timeliness of absorption variable did not always have a significant impact on budget effectiveness. The limited authority of sub-districts as implementing units that are highly dependent on city policies makes the timeliness variable less predictive of budget effectiveness.

2. The Influence of Budget Absorption Rate on Budget Effectiveness

The results of the Hypothesis Test as presented in Table 4, show that the Budget Absorption Rate variable obtained a t-value of 4.718 with a significance value of 0.000, below $\alpha = 0.05$. These results prove that the Budget Absorption Rate has a positive and significant partial effect on the Effectiveness of the Joyotakan Village Expenditure Budget, so H2 is accepted.

A positive regression coefficient of 0.410 indicates that the higher the cumulative monthly budget absorption rate, the higher the budget effectiveness achieved. A high absorption rate reflects that village programs and activities are actually implemented as planned, which in turn increases the effectiveness of public budget use. The standardized coefficient (Beta = 0.431) indicates that this variable is the first strongest predictor in the model.

These results are consistent with researchSafriansah et al., (2021)which proves that budget absorption has a significant influence on government financial performance.Llanas & Llanas, (2024)The results also show that the budget utilization rate has a significant positive correlation with program implementation performance. The higher the budget absorption rate, the more effective the use of public funds in achieving the set targets.(Mahmudi, 2019).

3. The Influence of Deviation from Actual to Budget Target on Budget Effectiveness

The results of the H3 test prove that the Deviation of Realization to Budget Target variable obtained a t-value of -1.972 with a significance value of 0.054, slightly above the critical limit of $\alpha = 0.05$. Based on the two-way testing criteria at

a significance level of 5%, H3 is rejected because the significance value of 0.054 > 0.05.

A significance value of 0.054, approaching the critical limit, indicates that this variable has a fairly strong negative influence, although it is not statistically significant at $\alpha = 0.05$. A negative regression coefficient of -0.188 indicates that the greater the deviation (deviation of realization from the target), the lower the budget effectiveness. This is consistent with the theory that budget planning accuracy is a determining factor in the quality of spending realization.

This finding is supported by research Ratnasari (2022) which found that budget deviations were caused by suboptimal planning and weak internal coordination. Patty (2019) This proves that budget forecast errors have a significant positive effect on budget deviation. This condition reinforces the importance of improving the quality of budget planning to minimize deviation and increase the effectiveness of village spending. (Rahayuningsih & Syaflan, 2024).

4. The Influence of the Proportion of Direct Spending on the Community on Budget Effectiveness

The variable of Direct Expenditure Proportion to the Community obtained a t-value of 2.867 with a significance value of 0.006, below $\alpha = 0.05$. This result proves that the Proportion of Direct Expenditure to the Community has a positive and significant partial effect on the Effectiveness of the Joyotakan Village Expenditure Budget, so H4 is accepted.

A positive regression coefficient of 1.700 indicates that increasing the proportion of spending directly targeting the community has a relatively large impact on budget effectiveness. Well-targeted direct spending reflects the quality of budget allocation, which is capable of realizing development and community empowerment programs in a tangible way. This aligns with the concept of performance-based budgeting, which emphasizes the link between budget allocation and outputs and outcomes perceived by the community.

These results are consistent with research Tarigan et al., (2023) who found that the use of direct spending in performance-based budgeting reflects the effectiveness of achieving government program targets. Rahmawati & Wicaksono (2021) also demonstrated that the proportion of direct spending has a positive effect on regional budget effectiveness. Ernawati et al., (2021) shows that the allocation of funds that directly target the community contributes to poverty reduction and increased welfare, which reflects the effectiveness of budget use.

5. The Effect of Spending Growth on Budget Effectiveness

The results of the H5 test show that the Expenditure Growth variable obtained a t-value of 3.960 with a significance value of 0.000, below $\alpha = 0.05$. These results prove that Expenditure Growth has a positive and significant partial effect on the Effectiveness of the Joyotakan Village Expenditure Budget, so H5 is accepted.

A positive regression coefficient of 0.176 indicates that sustained budget growth positively contributes to the effectiveness of budget implementation. The

standardized coefficient (Beta = 0.346) indicates that Expenditure Growth is the second most dominant predictor after the Budget Absorption Rate. Positive expenditure growth reflects the village government's commitment to gradually and systematically increasing public service capacity.

This finding is in line with research Fauziyah & Ekaningtias, (2022) This study proves that spending growth significantly impacts local government financial performance. Nirwana & Trisuswanto (2023) found that balanced and efficient spending growth supports the effectiveness of government program implementation. However, excessive spending growth without proper planning can actually lead to inefficiency, as emphasized by Alifah et al. (2023).

6. Simultaneous Influence of All Variables on Budget Effectiveness

The F-test results show that all independent variables, namely Timeliness of Budget Absorption, Budget Absorption Rate, Deviation of Realization to Budget Target, Proportion of Direct Spending to the Community, and Spending Growth simultaneously have a significant effect on the Effectiveness of the Joyotakan Village Budget. This is evidenced by the calculated F-value of 22.653 and a significance of $0.000 < 0.05$.

The Adjusted R Square value of 0.647 indicates that the five independent variables together are able to explain 64.7% of the variation in Budget Effectiveness, while the remaining 35.3% is influenced by other variables outside the model. Partially, the variables that are proven to have a significant influence are the Budget Absorption Rate, the Proportion of Direct Spending to the Community, and Spending Growth.

The findings of this study generally support the performance-based budgeting approach proposed by Mardiasmo (2021), which emphasizes the importance of the link between budget allocation, realization, and achievement of performance targets. Simultaneously, the determinants of budget effectiveness at the village level are a combination of factors such as absorption quality, allocation accuracy, and sustainable spending growth (Mahmudi, 2019).

CONCLUSION AND SUGGESTIONS

Research on the Determinants of Budget Effectiveness in Joyotakan Village in 2021–2025, based on the results of data analysis and discussion, resulted in the following conclusions: First, Timeliness of Budget Absorption does not have a significant effect on the Effectiveness of the Joyotakan Village Budget. This insignificance is caused by the village's dependence on the policies and funding schedules of the Surakarta City Government, as well as the highly fluctuating absorption pattern. Second, the Budget Absorption Rate has a positive and significant effect on the Effectiveness of the Joyotakan Village Budget. The higher the cumulative budget absorption rate, the higher the effectiveness of village expenditure realization. Third, Deviation of Realization to Budget Target does not have a significant effect on the Effectiveness of the Joyotakan Village Budget. Although the direction of the effect is negative according to theoretical expectations, the effect is not statistically strong

enough at the 5% significance level. Fourth, the Proportion of Direct Expenditure to the Community has a positive and significant effect on the Effectiveness of the Joyotakan Village Budget. Increasing the allocation of expenditure that directly targets the community is proven to increase the effectiveness of village budget use. Fifth, Expenditure Growth has a positive and significant effect on the Effectiveness of the Joyotakan Village Expenditure Budget. Sustainable expenditure growth reflects the village's commitment to progressively increasing public service capacity. Sixth, Simultaneously, all independent variables (Timeliness of Budget Absorption, Budget Absorption Rate, Deviation of Realization to Budget Target, Proportion of Direct Expenditure to the Community, and Expenditure Growth) have a significant effect on the Effectiveness of the Joyotakan Village Expenditure Budget (F count = 22.653; sig. = 0.000). Adjusted R^2 of 0.647 indicates that the five variables are able to explain 64.7% of the variation in budget effectiveness.

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