
Economic Evaluation of Service Budget Performance in the Education Sector

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Abstract:

This research aims to assess budget performance at the Bekasi District Education Office for the 2020-2023 Fiscal Year period. The method used is descriptive qualitative to produce a budget performance assessment. Data collection was carried out through interviews and document review. The results of this research show the budget performance of the District Education Office, Bekasi, viewed from an economic perspective in 2020-2023, experiences fluctuations every year and is categorized as economical because the economic ratio level is between 90%-100%. For the level of efficiency in the 2020-2023 budget revenue, it is categorized as less efficient because the efficiency ratio is more than 90%. Then the level of effectiveness experienced a decrease in effectiveness from 2020-2023 but was still categorized as effective because the level of effectiveness ratio was between 90% - 100%. Therefore, the Bekasi District Education Office needs to prioritize the preparation of more efficient budget planning based on the Value for money concept, namely budget effectiveness, budget efficiency, economics, and budget.

Keywords: Budget Performance, Value for Money, LRA Bekasi District Education Office

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1. Introduction

Good governance represents the foundation of transparent, accountable, and efficient public administration. Within this framework, a performance accountability system plays a crucial role in ensuring that each entity fulfills its duties effectively and responsibly. The Indonesian government's efforts toward bureaucratic reform, particularly since the enactment of Presidential Regulation No. 5 of 2004 and Presidential Regulation No. 81 of 2010, have emphasized the need for performance-based governance supported by measurable indicators. Such reforms underscore the significance of performance evaluation and financial accountability as key dimensions of administrative modernization (Sofyan, Nurjaman, & Joharudin,

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2025). These developments aim to strengthen fiscal transparency and create a sustainable foundation for local governance effectiveness.

The reform of Indonesia's financial management system is anchored in the issuance of three major state financial laws—Law No. 17 of 2003 on State Finance, Law No. 1 of 2004 on State Treasury, and Law No. 15 of 2004 on State Financial Accountability. These laws mark the beginning of an integrated framework focusing on performance-based budgeting (PBB) and medium-term expenditure planning. The Grand Design of Bureaucratic Reform (2010–2025) serves as the blueprint for institutional efficiency and public service optimization. Studies such as Belhassan (2024) and Maulana, Alim, and Djasuli (2024) have emphasized that performance budgeting contributes significantly to management control, accountability, and efficient use of resources, particularly in the education sector.

Budgeting is not merely a financial process but a strategic tool for planning, resource allocation, and evaluating organizational performance. It ensures that government spending supports socio-economic priorities, including infrastructure development and education quality improvement. As noted by Arsal, Sidiq, and Sayuti (2024), effective educational budgeting requires strategic classification and optimal utilization of resources. Similarly, Astuti and Sutirman (2024) highlight that accountability and transparency in school fund management strengthen institutional performance and public trust. Therefore, budgeting in education is not only a financial function but also an ethical obligation aligned with good governance principles.

Globally, studies have also emphasized the link between budget efficiency and organizational or economic performance. For instance, Barauskaite and Streimikiene (2021) and Chang et al. (2023) revealed that efficiency and sustainability indicators play crucial roles in improving institutional outcomes and financial performance. Meanwhile, Parvizi and Navid (2021) found that a well-structured budget system enhances performance evaluation in financial institutions, echoing the value-for-money principles proposed by Mardiasmo (2004). In the context of Indonesia, Putra (2021) and Putri and Karim (2023) also affirmed that effective budget efficiency directly impacts economic growth and service delivery performance.

Despite extensive policy reform, budget performance challenges persist at the local government level, particularly regarding budget absorption and accountability. Studies such as Djoko Susanto et al. (2023) and Bambang Irawan et al. (2022) note that local education agencies often face inefficiencies in resource utilization and decision-making. Furthermore, research by Mandeha, Zamhuri, and Suhab (2025) and Fu and Li (2023) supports that financial efficiency and digital transformation are vital for optimizing budget implementation and service outcomes. However, many regional agencies have yet to fully realize these improvements, resulting in gaps between planning and actual expenditure outcomes.

This issue is also evident in Bekasi Regency, West Java Province, where the Education Office shows disparities between planned and realized budgets. The following data illustrate this situation:

Table 1. Budget for Revenue and Expenditure of the Bekasi Regency Education Office

Year	Revenue Budget (IDR)	Expenditure Budget (IDR)
2020	1,629,412,694,612.00	1,629,412,694,612.00
2021	1,700,410,243,238.00	1,700,410,243,238.00
2022	1,716,552,613,612.00	1,716,552,613,612.00
2023	1,726,041,678,680.00	1,726,041,678,680.00

Source: LR-APBD Bekasi Regency Education Office, 2023

While the education budget has increased over the years, it does not necessarily reflect corresponding improvements in financial absorption and performance efficiency. The following table details the actual realization outcomes.

Table 2. Revenue and Expenditure Realization of the Bekasi Regency Education Office

Year	Revenue Realization (IDR)	Expenditure Realization (IDR)
2020	1,629,412,694,612.00	1,523,610,298,798.00
2021	1,700,410,243,238.00	1,579,750,999,966.00
2022	1,716,552,613,612.00	1,572,480,505,892.00
2023	1,726,041,678,680.00	1,585,543,942,629.00

Source: LR-APBD Bekasi Regency Education Office, 2023

The above data show fluctuations in expenditure realization, with an increase in 2021 followed by a decline in 2022 and another increase in 2023. These inconsistencies indicate underlying inefficiencies in planning and implementation. As Raksapon, Thongboonta, and Prayom (2024) argue, performance-based budgeting in educational institutions requires continuous alignment between objectives and budget realization. Similar findings by Widya Sylviana, Suyanto, and Ünlükaplan (2023) suggest that regional education spending in Indonesia often lacks fiscal discipline and performance orientation. Therefore, assessing the service budget performance of the Bekasi District Education Office becomes crucial to identify inefficiencies and recommend improvement strategies.

From the above context, it is evident that there remains a research gap in analyzing local government budget efficiency from both financial and performance perspectives, especially in the education sector. While previous studies have explored national-level reforms and macroeconomic efficiency (Abdi, Li, & Càmara-Turull, 2022; Hsu et al., 2021; Guo & Xu, 2021), limited empirical evidence exists on budget performance analysis at the district-level education offices in Indonesia. Hence, this study aims to evaluate the service budget performance of the

Bekasi District Education Office in West Java Province. The novelty of this research lies in integrating financial efficiency, budget absorption analysis, and performance accountability in a single local government context, thereby contributing to the broader understanding of fiscal governance and educational management in Indonesia.

2. Theoretical Background

The concept of Value for Money (VfM) has become central to public sector performance management, particularly within the framework of government financial accountability. According to Mardiasmo (2021), VfM is a management principle emphasizing *economy*, *efficiency*, and *effectiveness* in resource utilization. It aims to ensure that public funds produce the maximum social benefit. The Regulation of the Minister of Finance of the Republic of Indonesia Number 62 of 2023 defines VfM as a performance measure used to evaluate whether budget spending provides sufficient value to the public through both qualitative and quantitative assessments. This principle aligns with Belhassan (2024), who highlighted that performance-based budgeting enhances managerial control and transparency within public universities. Figure 1 illustrates the basic concept of VfM according to Mardiasmo.

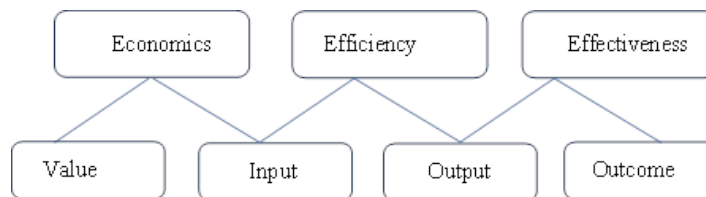


Figure 1. The Concept of Value for Money

Source: Belhassan (2024)

VfM consists of three fundamental elements: economy, efficiency, and effectiveness. The element of *economy* refers to minimizing input costs while maintaining service quality. In public budgeting, economy is reflected in the ability of organizations to avoid unnecessary expenditures and to acquire resources at the most competitive prices (Mahmudi, 2016). The Decree of the Minister of Home Affairs No. 690.900-327 of 1996 provides benchmarks for assessing budget economy levels, ranging from *highly economical* to *very uneconomical*. In this context, budgeting also serves as a planning, controlling, and fiscal policy tool (Mardiasmo, 2009). According to Astuti and Sutirman (2024), educational institutions in Indonesia are increasingly applying these economic criteria to enhance accountability and transparency in school financial management.

The second element, efficiency, is defined as the ratio between outputs and inputs relative to predetermined performance standards (Siregar, 2016). It reflects how effectively public institutions convert available resources into outputs. Efficiency also corresponds to productivity theory, in which maximum results are achieved with minimal input. Studies by Bambang Irawan et al. (2022) and Djoko Susanto et al. (2023) emphasize that efficient education budgeting enables institutions to allocate resources more optimally and achieve desired performance outcomes. Meanwhile, Sofyan et al. (2025) found that regional governments' spending efficiency significantly influences local financial performance, emphasizing the importance of prudent financial management practices in achieving VfM objectives.

The third component, effectiveness, focuses on the extent to which programs achieve their intended goals. Bastian (2006) and Mardiasmo (2009) argue that effectiveness measures outcomes—the degree to which policies and programs achieve their stated objectives. Mahmudi (2016) similarly notes that while economy emphasizes inputs and efficiency emphasizes processes, effectiveness concentrates on outcomes. The Decree of the Minister of Home Affairs No. 690.900-327 of 1996 provides benchmarks to assess budget effectiveness levels, identifying whether expenditures are considered *effective* or *ineffective* based on realization-to-target comparisons. Recent findings by Maulana, Alim, and Djasuli (2024) support that the integration of VfM principles in local government budgeting enhances overall effectiveness and aligns spending with developmental outcomes.

In addition to these three pillars, several factors can enhance VfM achievement, including risk allocation, performance-based contracts, and public-private partnerships (PPPs). Proper risk distribution between public and private entities in PPP projects ensures better VfM outcomes (Chang et al., 2023; Fu & Li, 2023). Arsal, Sidiq, and Sayuti (2024) argue that strategic budgeting in education can increase VfM by aligning funding allocations with measurable educational outcomes. Moreover, performance-based contracting incentivizes private actors to sustain service quality throughout concession periods, leading to long-term efficiency gains (Guo & Xu, 2021; Hsu et al., 2021). Such approaches not only strengthen cost control but also improve transparency and accountability in government service delivery.

The implementation of VfM also contributes to public sector accountability and performance improvement. According to Pramudiati, Fachrunnisa, and Kusmawati (2024), adopting the VfM approach helps ensure that budget allocations align with public interests rather than individual or group benefits. Similarly, Putra (2021) and Putri and Karim (2023) highlight that effective budget utilization enhances economic growth and public trust. The VfM framework ensures that spending allocations promote public welfare, eliminate inefficiencies, and foster transparency—core principles in achieving *good governance*.

From an educational finance perspective, VfM principles have been applied to improve resource utilization and performance in local education offices. Studies by Raksapon, Thongboonta, and Prayom (2024) and Susanto (2023) indicate that applying performance-based budgeting in educational institutions enhances accountability and financial transparency. The case of Bekasi Regency Education Office illustrates the need for better financial efficiency and performance evaluation mechanisms. Consistent with Widya Sylviana et al. (2023), the efficiency of provincial government spending in education remains a key determinant of fiscal sustainability, particularly in post-decentralization contexts.

In conclusion, the literature supports that Value for Money is not only a measurement tool but also a governance philosophy that integrates accountability, efficiency, and transparency. As Abdi, Li, and Càmara-Turull (2022) and Barauskaite and Streimikiene (2021) note, incorporating sustainability and governance aspects into performance evaluation enhances institutional value and legitimacy. Hence, adopting VfM-based budgeting in local government—particularly in the education sector of Bekasi Regency—represents both an urgent and innovative approach to optimizing limited fiscal resources while maintaining public accountability and trust.

3. Methodology

The research method used was field research with a descriptive qualitative approach, because the research was conducted in natural conditions with the researcher as the main instrument, the data sample was determined purposively, using triangulation techniques and inductive analysis that emphasized meaning rather than generalization. Data was collected through structured interviews with the Secretary of the Education Office, planning staff, inspectorate auditors, and NGO representatives, supported by a review of official documents (laws, local regulations, regent regulations, and minister of finance regulations), as well as direct observation of budget implementation activities. Primary and secondary data were analyzed through a process of classification, verification, and interpretation to assess the effectiveness of budget performance based on the Value for Money (VfM) principle in accordance with Mardiasmo's theory (2009) and Minister of Finance Regulation No. 62 of 2023. The research instruments were interview guidelines and document reviews, with the researcher acting directly as the collector, processor, and conclusion drawer.

4. Empirical Findings/Result

Economic

The following is an economic assessment of the budget performance of the Bekasi Regency Education Office for the 2020-2023 fiscal years.

Table 3. Economic Performance Assessment Related to the Realization of Expenditures of the Bekasi Regency Education Office for the 2020-2023 Fiscal Years

Year	Expenditure Realization	Budget Expenditure	Target Percentage Indicating	Criteria
2020	1,523,610,298,798.00	1,629,412,694,612.00	94%	Economy
2021	1,579,750,999,966. 00	1,700,410,243,238.00	93%	Economy
2022	1,572,480,505,892.00	1,716,552,613,612.00	92%	Economy
2023	1,585,543,942,629.00	1,726,041,678,680.00	92%	Economy

Source: LRA Data - Bekasi Regency Education Office

In Table 3 above, it can be seen that the economic performance assessment of the Bekasi Regency Education Office for the 2020 to 2023 fiscal years has undergone significant changes. In 2020, the performance of the Bekasi Regency Education Office met the economic criteria because it was above or greater than 90%, namely 94%. In 2021, the performance of the Bekasi Regency Education Office declined compared to 2020. This can be seen from the economic ratio presentation in 2021, which was 92%, but still above the economic ratio of 90%. This was because the budgeted costs were greater than the actual costs. In 2022, the performance assessment of the Bekasi Regency Education Office was also within the economic criteria because it was at 92%. The economic performance of the budget can also be seen from the budgeted costs being higher than the actual costs. From 2020 to 2023, the budget performance of Bekasi Regency's education sector has met the criteria for being highly economical, as the actual costs were lower than the budgeted costs. This shows that the performance assessment of the Bekasi Regency Education Office's budget based on *the value for money* of regional revenue has fulfilled the economic element, thereby realizing effectiveness in budget management. However, the efficiency of the budget still needs to be evaluated.

In addition, there are several indicators and targets to support program performance, including inputs, outputs, and outcomes. Performance benchmarks are measures of work performance to be achieved from the initial situation, taking into account the quality, quantity, efficiency, and effectiveness of the implementation of each program and activity. Performance targets are the expected results of a program or the expected outputs of an activity. Field observations reveal that the budget preparation process does not sufficiently consider the expected outcomes and does not provide accurate performance information. Similarly, the procurement of goods does not follow the planned schedule, with stakeholders and other parties intervening and pulling in different directions, resulting in delays in implementation. For example, according to the activity plan and cash budget, a program or activity should have been implemented in the second quarter but was implemented in the third quarter. The competition budget was planned at the central level, but the implementation only reached the regional level, thus not in line with the plan. Furthermore, there are capital expenditures and consumable expenditures that are not in accordance with their intended use.

Efficiency**Table 4. Efficiency Performance Assessment with the Realization of the Bekasi Regency Education Office Expenditure for 2020-2023**

Year	Budget	Expenditure Realization	Ratio	Assessment
2020	1,629,412,694,612.00	1,523,610,298,798.00	94%	Less Efficient
2021	1,700,410,243,238.00	1,579,750,999,966.00	93%	Inefficiency
2022	1,716,552,613,612.00	1,572,480,505,892.00	92%	Inefficiency
2023	1,726,041,678,680.00	1,585,543,942,629.0	92%	Insufficient Efficiency

Source: LRA-APBD Bekasi Regency Education Office 2023

The results of the study show that the budget performance of the Bekasi Regency Education Office in the 2020–2023 period has not been able to achieve an optimal level of efficiency. This can be seen from the efficiency ratio, which is below the highly efficient category every year, namely 94% in 2020, 93% in 2021, and 92% in 2022 and 2023. Based on the assessment criteria, this achievement falls into the inefficient category because it is in the range of 90–100%. In addition, interviews with planning staff confirmed that the timeliness of revenue reporting, administrative order, and the integrity of budget managers are the main factors that affect the quality of budget performance. A similar sentiment was expressed by the Chair of the NGO SIAP, who highlighted the problem of delays in budget disbursement due to weaknesses in activity planning. The large amount of Budget Surplus (SILPA) that arises each year indicates inefficiency in financial management, not merely due to spending efficiency. Another obstacle lies in the Budget Work Plan (RKA) planning stage, where there is still a discrepancy between the programs designed by the technical activity implementing officials (PPTK) and the programs established by Bappeda in accordance with the Ministry of Home Affairs nomenclature. In addition, some of the proposed activity details are not in accordance with the approved budget ceiling, triggering the need for re-coordination with Bappeda. This situation indicates that budget planning and absorption at the Bekasi Regency Education Office still faces various obstacles that have implications for low budget performance effectiveness and efficiency.

Effectiveness**Table 5. Performance Evaluation of Effectiveness with Budget Realization of the Bekasi District Office for Fiscal Years 2020-2023.**

Year	Budget Realization Expenditure	Budget Target Expenditure	Ratio	Criteria
2020	1,523,610,298,798.00	1,629,412,694,612.00	94%	Effective
2021	1,579,750,999,966.00	1,700,410,243,238.00	93%	Effective
2022	1,572,480,505,892.00	1,716,552,613,612.00	92%	Effective
2023	1,585,543,942,629.00	1,726,041,678,680.00	92%	Effective

Source: LRA- APBD Bekasi Regency Education Office 2023.

The effectiveness of the Bekasi Regency Education Office's budget performance in the 2020–2023 period shows a downward trend, although it is still in the effective category. In 2020, the effectiveness rate was recorded at 94%, but in 2021 it decreased to 93% because the budget expenditure realization was smaller than the set target. Furthermore, in 2022 and 2023, the effectiveness will decline again to 92%, where the expenditure budget target has increased but the actual expenditure has decreased. This condition indicates that although in general budget management has fulfilled the elements of effectiveness, an evaluation of the optimization of expenditure realization is still needed to be in line with the planning. Interviews with the Secretary of the Office revealed obstacles in budget planning, particularly in the details of activities that did not match the approved budget ceiling, requiring the planning team to coordinate with Bappeda. Meanwhile, planning staff emphasized that budget absorption was often only oriented towards program implementation without considering sustainable outputs and outcomes. In addition to these technical factors, the Covid-19 pandemic has exacerbated the situation, with budget refocusing policies and social restrictions causing many activities, such as technical guidance and educator workshops, to be canceled. Therefore, based on an analysis of expenditure realization reports and interviews with informants, it can be concluded that the budget management of the Bekasi Regency Education Office in the 2020–2023 period has not been fully efficient and effective and still requires in-depth evaluation so that its impact on community welfare can be more optimal.

Financial Performance of the Bekasi Regency Education Office

Table 6. Budget Report on Revenue and Expenditure Realization for 2020-2023 of the Bekasi Regency Education Office

Year	Revenue		Ratio
	Budget	Actual	
2020	1,629,412,694,612.00	1,523,610,298,798.00	93.51%
2021	1,700,410,243,238.00	1,579,750,999,966.00	92.90%
2022	1,716,552,613,612.00	1,572,480,505,892.00	91.61%
2023	1,726,041,678,680.00	1,585,543,942,629.0	91.86%

Source: Bekasi Regency Education Office, 2023

The results of the study show that the implementation of the Bekasi Regency Education Office budget in the last four years has fluctuated, with revenue realization in 2021 only reaching 93.51% of the target, lower than the previous year's 92.90%. In 2022, budget revenue realization increased slightly to 91.61%, and in 2023 it rose again to 91.86%. In terms of expenditure, budget realization during the 2020–2023 period was always lower than the budgeted amount, so that overall performance can be categorized as good because there was no waste. However, the phenomenon of low absorption at the beginning of the year and a drastic increase towards the end of the year illustrates the ineffectiveness of budget planning. This is reinforced by informants' statements that some of the budgeted activities could not be fully realized, resulting in a mismatch between targets and actual results. Based

on the performance measurement results, the budget's economic level is in the fairly economical category, which means that there are savings in the use of inputs without waste. Meanwhile, in terms of efficiency, performance is not yet optimal because the efficiency ratio is still below 60%, indicating that inputs have not been able to produce maximum outputs. However, in terms of effectiveness, budget performance is considered effective because the average realization is above 100% of the set targets. Overall, measurements using the Value For Money approach confirm that the performance of the Bekasi Regency Education Office is quite economical and effective, although not yet efficient. To overcome this problem, one of the strategic steps taken is to intensify coordination with Bappeda and the ULP Office in planning, as well as gathering section heads as PPTK in each field so that budget absorption can be carried out more timely and according to schedule.

5. Discussion

The analysis of the budget performance of the Bekasi Regency Education Office for the fiscal years 2020–2023 reveals that, in general, the financial management of the institution has met the criteria of being economical and effective, although it still falls short in terms of efficiency. Based on the *Value for Money* (VfM) approach, the economic performance of the Education Office shows that from 2020 to 2023, the realization of expenditures consistently remained below the allocated budget, with an economic ratio between 92% and 94%, indicating that the institution has successfully minimized input use and avoided wasteful spending. This aligns with Mardiasmo's (2021) concept of VfM, which emphasizes the importance of economy as the ability of public organizations to reduce resource use and prevent inefficient expenditures. Similarly, the findings are consistent with Arsal, Sidiq, and Sayuti (2024), who assert that strategic budgeting and optimal fund utilization are essential in ensuring that public funds in education generate measurable value and impact. However, field observations indicate that despite these economic achievements, several challenges persist in the budget planning and implementation process, such as delays in procurement, lack of alignment between planned and realized activities, and insufficient integration of performance information. Belhassan (2024) also found that weak performance-based budgeting often results in poor managerial control and misalignment between allocated funds and achieved results, while Djoko Susanto et al. (2023) emphasized that sound economic decision-making in education budgeting enhances resource allocation efficiency and institutional performance.

In contrast, the efficiency analysis demonstrates that the Education Office has not yet reached an optimal level of performance. The efficiency ratios during 2020–2023 ranged between 92% and 94%, which falls within the “inefficient” category based on the Ministry of Home Affairs' criteria, indicating that budget utilization has not been fully optimized. According to Sofyan, Nurjaman, and Joharudin (2025), inefficiency in regional financial performance often stems from poor synchronization between program design and budget realization, a condition also

reflected in Bekasi's case, where discrepancies between the Budget Work Plan (RKA) and the Regional Development Planning Agency (Bappeda) nomenclature created procedural delays. Furthermore, interviews revealed that weak administrative discipline and the recurring emergence of unspent funds (*SILPA*) illustrate inefficiencies in financial management rather than savings. Parvizi and Navid (2021) similarly argued that gaps between budgeting systems and value-based performance indicators tend to hinder institutional efficiency, while Bambang Irawan et al. (2022) found that professional financial management is crucial for achieving both productivity and efficiency in the education sector. Therefore, the Bekasi Education Office must enhance coordination between planning, implementation, and evaluation units to improve the timeliness and accuracy of budget absorption.

Regarding effectiveness, the analysis shows that the budget realization ratio of 92–94% over the four-year period remains within the “effective” category, though it has experienced a slight downward trend. This suggests that the Education Office has been relatively successful in achieving its budgetary objectives, but there is room for improvement in aligning expenditures with program outcomes. Mardiasmo (2009) defines effectiveness as the extent to which an organization's outputs and outcomes meet its predetermined objectives, a view that is also supported by Putri and Karim (2023), who highlight that education budget effectiveness is strongly influenced by government spending efficiency policies, especially during crises such as the Covid-19 pandemic. Similarly, Raksapon, Thongboonta, and Prayom (2024) found that the success of performance-based budgeting in educational institutions depends on the integration between output and outcome evaluations to ensure program sustainability. The slight decline in Bekasi's effectiveness ratio may therefore be attributed to external factors such as pandemic-induced budget refocusing and internal factors like delays in activity execution and insufficient consideration of long-term outcomes in planning.

Overall, the financial performance of the Bekasi Regency Education Office during 2020–2023 reflects a budget management pattern that is generally economical and effective but not yet efficient. The realization of revenues and expenditures, which consistently falls below the budgeted targets, demonstrates fiscal prudence and avoidance of overspending, but also highlights planning weaknesses and absorption delays. These findings are consistent with Pramudiati, Fachrunnisa, and Kusmawati (2024), who reported that in many public-sector institutions, achieving balance among economy, efficiency, and effectiveness remains a challenge, particularly in education, where bureaucratic and structural constraints often reduce responsiveness. Likewise, Mandeha, Zamhuri, and Suhab (2025) emphasize the need for comprehensive evaluation of financial efficiency and resource utilization to improve public service delivery outcomes. To address these challenges, strategic actions such as strengthening coordination with Bappeda, optimizing procurement scheduling, and reinforcing performance-based budgeting mechanisms are essential. As

Maulana, Alim, and Djasuli (2024) suggest, adopting a holistic *Value for Money* framework that balances economic, efficiency, and effectiveness aspects will enable public institutions like the Bekasi Regency Education Office to not only meet budgetary compliance but also deliver tangible value and social benefits to the community through education.

6. Conclusions

Based on the analysis of the Budget Performance of the Bekasi Regency Education Office for the fiscal years 2020–2023, it can be concluded that the institution's financial management demonstrates mixed performance across the dimensions of economy, efficiency, and effectiveness. The overall assessment shows that the budget has been managed economically and effectively, but has yet to achieve the desired level of efficiency. From an economic standpoint, the Education Office has met the criteria for economic performance, as expenditure realization consistently ranged between 90% and 100% of the allocated budget, indicating prudent resource utilization and avoidance of unnecessary spending. This reflects fiscal discipline and compliance with the principles of cost-effectiveness in public sector financial management. From an efficiency perspective, however, the Bekasi Regency Education Office has not fully met efficiency standards. The budget realization ratio of 90%–100% over the four-year period suggests that financial resources were not optimally utilized to produce the expected outputs. Several internal factors—such as delays in budget absorption, weak coordination between planning and implementation units, and insufficient human resource capacity—have contributed to inefficiencies in spending. Meanwhile, from the effectiveness perspective, the Education Office has achieved effective performance, as indicated by the achievement of targeted outputs within the allocated budget. Nevertheless, the degree of effectiveness remains influenced by external factors such as central government budget deficit policies, fiscal decentralization adjustments, and emergency responses during disaster and pandemic periods.

Future research could further explore the relationship between organizational capacity, governance mechanisms, and budget performance using longitudinal or comparative approaches across multiple local government agencies. Additionally, incorporating qualitative data through interviews or focus group discussions could provide deeper insights into managerial decision-making, institutional challenges, and contextual factors affecting budget execution. Future studies may also integrate advanced analytical models, such as Data Envelopment Analysis (DEA) or Stochastic Frontier Analysis (SFA), to measure efficiency levels more precisely and identify areas for improvement. Examining digital transformation, performance-based budgeting systems, and accountability reforms could also contribute to a more comprehensive understanding of how local governments can enhance the economic, efficient, and effective use of public funds in the education sector.

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