Addressing the Ideal Implementation of Regional Expenditure to Alleviate Poverty: A Case Study of Kebumen Regency

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ABSTRACT
The financial relations between the central and local governments face many challenges, and the implementation needs more strengthening and synergism for better decentralization. Law number 1 of 2022 concerning Financial Relations between the Central Government and Local Governments (HKPD Law) is designed to increase society’s welfare through effective and efficient spending that provides adequate public service. Kebumen Regency is one of Java’s poorest regencies, which has taken enough attention to put more concern on. This study aims to evaluate the regional expenditure implemented by Kebumen Regency Government and explain how it can affect the poverty rate. This study uses a qualitative approach that takes works of literature and existing laws as references to be compared with existing conditions. This study found that the implementation of regional expenditure by the Kebumen Regency government is still not optimal, where the budget allocation is not following mandatory spending provisions. It has led to the Kebumen Regency government being unable to fulfill the Minimum Service Standards for implementing mandatory affairs of basic services, especially in education and health, which is the root cause of the high poverty rate.

Keywords: HKPD Law, Regional Expenditure, Kebumen Regency, Poverty Rate

ABSTRAK

Kata kunci: UU HKPD, Belanja Daerah, Kabupaten Kebumen, Tingkat Kemiskinan

KLASIFIKASI JEL: M40, M41, M42
INTRODUCTION
As stated in Article 18 of the 1945 Constitution of the Republic of Indonesia, The Unitary State of the Republic of Indonesia is divided into provincial regions, which are divided into regencies (kabupaten) and municipalities (kota). This results in implementing a decentralization concept where every one of those provinces, regencies, and municipalities has its regional government, which laws shall regulate. For this reason, a division of government affairs generates authority and financial relations between the central government and local governments. The relationship demands a synergy of funding and spending, referred to as the Financial Relations between the Central Government and Regional Governments.

Financial Relations between the Central Government and Regional Governments are carried out as an effort to create an efficient allocation of national resources through transparent, accountable and equitable implementation to realize the equitable distribution of public services and improve the welfare of the society in the region of Unitary State of the Republic of Indonesia. However, the two-decade implementation of decentralization is still not optimal where there is an increase in the transfer budget to the regions but is not fully utilized by Local Governments. The budget absorption is still dominant on employee expenditure, at least 64.8 percent. In addition, the use of the Specific Allocation Fund (DAK), which is intended for capital expenditures, is still minimally used. Therefore, it is necessary to strengthen the Financial Relations between the Central Government and Regional Governments through policies focusing on regional performance and capacity to improve public services. Improvement of Financial Relations between the Central Government and Regional Governments through Law number 1 of 2022 concerning Financial Relations between Central Government and Regional Governments, also known as HKPD Law, is based on 4 (four) main pillars, namely: developing a tax system that drives the efficient allocation of national resources, developing financial relations between the central government and local governments by minimizing vertical and horizontal inequality through budget transfer policy and regional debt financing, encouraging the quality improvement of the regional expenditure, and harmonizing the fiscal policies between the central government and regional governments for a better public service delivery and maintaining fiscal sustainability.

Law number 1 of 2022 concerning Financial Relations between the Central Government and Local Governments is a new spirit in the government’s efforts to increase the welfare of the society through the implementation of effective and efficient spending that leads to adequate public service.

The realization of regional expenditure in 2021 had been better than the previous years, amounting to IDR 1,092.13 trillion or 85.69 percent of the total targeted spending. This amount exceeded the realization of the previous year of IDR 1,021.26 trillion or 82.69 percent. Nevertheless, local governments are expected to accelerate the realization of the 2022 regional budget (APBD) even earlier. There is still a large gap between the APBD absorption at the beginning and the end of the semester. In addition, most local governments significantly realize their regional expenditure by the end of the year, which is in December. The proportion of the realized regional expenditure was dominated by employee expenditure. Some regions even have the amount of employee expenditure by 60 percent of the APBD. This spending is far from the average infrastructure expenditure realization, which only reaches 11 percent. Knowing that the basic infrastructure is highly needed, especially by low-income people, does not sound right. That is why the regional governments must keep improving the quality of their regional expenditure.

Building resilient infrastructure and alleviating poverty are the goals of the Sustainable Development Goals. However, infrastructure expenditure in most regions is still low while the number of poor people is quite high, forcing the government to work together in dealing with those problems. Some regions are even having the number of poor people statistically increased, such as Kebumen Regency. Based on the percentage, in March 2021, the number of poor people in Kebumen Regency increased by 0.34 percent to 17.83 percent from the previous year. This number is the highest among all cities and regencies in Central Java. The percentage of poor people in Kebumen Regency is higher when compared to the average percentage of poor people in Central Java, which is only 11.79 percent. Based on the abovementioned issues, this paper aims to know why Kebumen Regency, which is in the developed province of Central Java Province, is said to be one of the poorest regencies in Java.

RESEARCH PROBLEMS
1. How is the implementation of Regional Expenditures in the Kebumen Regency?
2. What are the factors causing Kebumen Regency to be classified as a poor regency?
3. What can the Kebumen Regency Government do to accelerate poverty alleviation?

METHOD
This study adopted a qualitative approach, utilizing both evaluative and explanatory purposes to examine the implementation of Regional Expenditure in Kebumen Regency. The research design aimed to provide a comprehensive understanding of the effectiveness and efficiency of the existing condition of Regional Expenditure and how it can contribute to the poverty rate in a region. This study was conducted in the case study of Kebumen Regency using secondary data. The data included the financial statements of Kebumen Regency from the period of 2019 to 2021, laws and regulations related to implementations of Regional Expenditure (HKPD Law, Law number 20 of 2003, etc), several works of literature, and several statistical data related to the economic condition of Kebumen Regency from year to year (economic growth, poverty rate, etc.). The data were analyzed by comparing the implementation of Regional Expenditure stated in the financial statements with the existing laws and the economic condition to evaluate the compliance of the Kebumen Regency Government and to explain the correlation between Regional Expenditure and poverty rate.

**DISCUSSION**

1. **Focus on Welfare and Economic Equality of Kebumen Regency**

   Kebumen Regency is located in Central Java Province with an ever-increasing population; in 2017, the total population of Kebumen Regency was 1,192,007, then the population increased to 1,361,913 in 2021. During this time, the gross regional domestic product (GRDP) of Kabupaten Kebumen also increased from around IDR 24 trillion in 2017 to IDR 28 trillion in 2020 when the dominating sectors for this GRDP were agriculture, forestry and fishery sectors. However, there has been a shift from the primary to the secondary and tertiary sectors. The statistical decline of primary sectors such as agriculture, forestry, and fishery shows this. The secondary sectors, such as the processing industry, and tertiary sectors, such as wholesale and retail trade, kept increasing except for 2020, when the Covid-19 pandemic hit.

<table>
<thead>
<tr>
<th>No</th>
<th>Sector</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>2016</td>
</tr>
<tr>
<td>1.</td>
<td>Agriculture, Forestry and Fishery</td>
<td>24.67%</td>
</tr>
<tr>
<td>2.</td>
<td>Mining and Excavation</td>
<td>5.06%</td>
</tr>
<tr>
<td>3.</td>
<td>Processing Industry</td>
<td>19.85%</td>
</tr>
<tr>
<td>4.</td>
<td>Electricity and Gas Supply</td>
<td>0.07%</td>
</tr>
<tr>
<td>5.</td>
<td>Water Supply, Sewerage, Waste</td>
<td>0.06%</td>
</tr>
<tr>
<td></td>
<td>Management, and Remediation</td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>Construction</td>
<td>7.19%</td>
</tr>
<tr>
<td>7.</td>
<td>Wholesale and Retail Trade</td>
<td>14.57%</td>
</tr>
<tr>
<td>8.</td>
<td>Transportation and Warehousing</td>
<td>3.96%</td>
</tr>
<tr>
<td>9.</td>
<td>Accommodation and Food Service</td>
<td>2.03%</td>
</tr>
<tr>
<td>10.</td>
<td>Information and Communication</td>
<td>1.68%</td>
</tr>
</tbody>
</table>

Table 1. Sectoral Contribution to the GRDP of Kebumen Regency

*Source: Kebumen Government Work Plan 2022*

From 2017 to 2019, the economic growth of Kebumen Regency tends to increase from 5.15 percent to 5.52 percent. However, the economic growth contracted sharply by -1.46 percent in 2020 due to restrictions on economic and social activities during the Covid-19 pandemic. Fortunately, with the support of the economic recovery program, the Kebumen Regency Government succeeded in increasing Kebumen’s economic growth by 3.71 percent.
Meanwhile, the average monthly expenditure per capita in Kebumen Regency decreased from IDR 729,730 to IDR 704,294 in 2018 and continuously increased from 2019 to 2021. The average monthly expenditure per capita can show each household group’s welfare level based on their economic ability, whereas for Kebumen Regency, it is still relatively low compared to other regencies/cities in Central Java.

<table>
<thead>
<tr>
<th>Year</th>
<th>Economic Growth (percent)</th>
<th>Average Expenditure per Capita (Rupiah/month)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>5.26</td>
<td>729.730</td>
</tr>
<tr>
<td>2018</td>
<td>5.53</td>
<td>704.294</td>
</tr>
<tr>
<td>2019</td>
<td>5.52</td>
<td>781.578</td>
</tr>
<tr>
<td>2020</td>
<td>-1.46</td>
<td>883.901</td>
</tr>
<tr>
<td>2021</td>
<td>3.71</td>
<td>920.590</td>
</tr>
</tbody>
</table>

Table 2. Economic Growth and Expenditure per Capita of Kebumen Regency

Based on the data released by BPS from 2017 to 2021, the poverty line of Kebumen Regency increased from IDR 325,819 to IDR 390,599. Meanwhile, this regency’s number of poor people decreased from 233,400 to 201,300 in 2019 and increased in 2021 to 212,920. It was in line with the poverty rate of Kebumen Regency, where the rate had decreased from 19.6 percent to 16.82 percent in 2019 and increased to 17.83 percent in 2021. This rate made Kebumen be Regency with the highest poverty rate among the cities and regencies within Centra Java Province.

<table>
<thead>
<tr>
<th>Year</th>
<th>Poverty Line (Rp/capita/month)</th>
<th>Number of Poor People (thousand)</th>
<th>Poverty Rate (percent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>325.819</td>
<td>233,4</td>
<td>19.6</td>
</tr>
<tr>
<td>2018</td>
<td>342.437</td>
<td>208,7</td>
<td>17.47</td>
</tr>
<tr>
<td>2019</td>
<td>362.847</td>
<td>201,3</td>
<td>16.82</td>
</tr>
<tr>
<td>2020</td>
<td>380.557</td>
<td>211,09</td>
<td>17.59</td>
</tr>
<tr>
<td>2021</td>
<td>390.599</td>
<td>212,92</td>
<td>17.83</td>
</tr>
</tbody>
</table>

Table 3. Poverty Line, Number of Poor People, and Poverty Rate in Kebumen Regency.

2. **Realization of Regional Expenditure**

The implementation of government affairs that become the authority of the regional governments is funded by Regional Expenditures. The governmental affairs that fall under the authority of the regional governments are mandatory affairs of basic services, mandatory affairs of non-basic services, optional affairs, support functions for government affairs, support programs for regional government affairs, and affairs which can be handled in certain fields jointly between the central government and regional government or between regional governments determined by statutory provisions. Based on Government Regulation No. 2 of 2018 concerning Minimum Service Standards, mandatory affairs of basic services must be the main focus in allocating regional budgets related to implementing government affairs. Some fields included in the mandatory affairs of basic services are education; health; public works and spatial planning; public housing and residential areas; peace, public order and social protection; and social.

In 2019, the employee expenditure of the Kebumen Regency government reached 52.83 percent of the total regional expenditure of APBD in the amount of IDR 1,186,788,783,406. Employee expenditure dominating the absorption of the expenditure budget means there is an inefficient implementation of expenditure because employee expenditure does not directly impact society, in contrast to infrastructure...
spending, education expenditure, health expenditure, and social expenditure, which have significant impacts on the economy.

<table>
<thead>
<tr>
<th>Type of Expenditure</th>
<th>Realization (in Rupiah)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Expenditure</td>
<td>1,186,788,783,406</td>
<td>52.83</td>
</tr>
<tr>
<td>Education Expenditure</td>
<td>481,879,664,136</td>
<td>21.45</td>
</tr>
<tr>
<td>Health Expenditure</td>
<td>222,405,998,832</td>
<td>9.90</td>
</tr>
<tr>
<td>Public Works and Spatial Planning</td>
<td>105,811,338,838</td>
<td>4.71</td>
</tr>
</tbody>
</table>

Table 4. Kebumen Regency Employee expenditure and Mandatory Affairs of Basic Services Expenditure Budget Realization in 2019

For the realization of 2019 spending related to mandatory affairs of basic services, the largest allocation was used for education expenditure in the amount of IDR 481,879,664,136 (21.45 percent of total regional expenditure), followed by health expenditure in the amount of IDR 222,405,998,832 (9.90 percent of total regional expenditure), then public works and spatial planning expenditure in the amount of IDR 105,811,338,838 (4.71 percent of total regional expenditure).

In 2020, employee expenditure has decreased in budget allocations but has increased as a percentage of total regional expenditure, namely 54.70 percent in IDR 1,169,696,600,650. Meanwhile, the budget allocation has decreased in nominal and percentage terms for mandatory affairs of basic services expenditure (details as in the following table).

<table>
<thead>
<tr>
<th>Type of Expenditure</th>
<th>Realization (in Rupiah)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Expenditure</td>
<td>1,169,696,600,650</td>
<td>54.70</td>
</tr>
<tr>
<td>Education Expenditure</td>
<td>126,847,727,055</td>
<td>5.93</td>
</tr>
<tr>
<td>Health Expenditure</td>
<td>8,732,982,034</td>
<td>0.41</td>
</tr>
<tr>
<td>Public Works and Spatial Planning</td>
<td>8,402,324,000</td>
<td>0.39</td>
</tr>
<tr>
<td>Public Housing and Residential Areas</td>
<td>270,000,000</td>
<td>0.01</td>
</tr>
<tr>
<td>Peace, Public Order and Society Protection Expenditure</td>
<td>11,118,698,638</td>
<td>0.52</td>
</tr>
<tr>
<td>Social Expenditure</td>
<td>2,484,306,121</td>
<td>0.12</td>
</tr>
</tbody>
</table>

Table 5. Kebumen Regency Employee expenditure and Mandatory Affairs of Basic Services Expenditure Budget Realization in 2020

The significant decrease in the budget allocation for mandatory affairs of basic services was caused by the Covid-19 pandemic. However, it should be noted that the budget allocation for health expenditure has also decreased quite significantly.

In 2021, employee expenditure had decreased from the previous year to 41.06 percent of total regional expenditures in IDR 1,141,295,419,703. Other expenditures such as health expenditure, public housing and residential areas expenditure, peace, public order, social protection expenditure, and social expenditure also had decreased from the previous year. Meanwhile, the budget allocation for education
and public works and spatial planning expenditures had increased to 7.64 percent to IDR 212,333,002,473 and 0.85 percent to IDR 23,565,463,790, respectively.

<table>
<thead>
<tr>
<th>Type of Expenditure</th>
<th>Realization (in Rupiah)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee expenditure</td>
<td>1,141,295,419,703</td>
<td>41.06</td>
</tr>
<tr>
<td>Education Expenditure</td>
<td>212,333,002,473</td>
<td>7.64</td>
</tr>
<tr>
<td>Health Expenditure</td>
<td>7,678,221,014</td>
<td>0.28</td>
</tr>
<tr>
<td>Public Works and Spatial Planning</td>
<td>23,565,463,790</td>
<td>0.85</td>
</tr>
<tr>
<td>Public Housing and Residential Areas Expenditure</td>
<td>219,290,000</td>
<td>0.01</td>
</tr>
<tr>
<td>Peace, Public Order and Society Protection Expenditure</td>
<td>8,817,876,367</td>
<td>0.32</td>
</tr>
<tr>
<td>Social Expenditure</td>
<td>2,097,674,669</td>
<td>0.08</td>
</tr>
</tbody>
</table>

Total 6. Kebumen Regency Employee expenditure and Mandatory Affairs of Basic Services Expenditure Budget Realization in 2021

3. Congruence between the Implementation of Kebumen Regional Expenditure and the Existing Regulations

Mandatory spending is intended as a benchmark for government to determine the amount of budget allocation for the affairs decided to be the main focus and have high urgencies, such as education and basic health services. The laws and regulations regulate the determination of the amount of budget allocation. The expenditure implementation based on budget allocation standards is still not fully complied with by the Kebumen Regency government.

In 2019, mandatory spending for education allocated by the Kebumen Regency government following article 31, paragraph (4) of the 1945 Constitution and article 49, paragraph (1) of Law number 20 in 2003 concerning the National Education System, which amounted to 21.45 percent of the total APBD expenditure. However, it did not happen in mandatory spending for the health sector. The regional government must allocate the budget in this sector for at least 10 percent of the total APBD expenditure, as stated in Law number 36 of 2009 concerning Health. In this case, the Kebumen Regency government only allocated 9.90 percent.

In 2020, the total budget allocated by the Kebumen Regency government for education was far below the mandatory spending requirement (only 5.93 percent). It caused the realization of the Minimum Service Standards (SPM) for education to be less optimal, reaching an average of 91.28 percent, from the target of 100 percent. At the same time, the budget allocation for health affairs was also far below 10 percent of the APBD, which was only 0.41 percent. The same thing happened to the SPM of the health sector, where the Kebumen Regency government only reached an average of 77.8 percent.

In 2021, the budget allocated by the Kebumen Regency government in the education sector increased to 7.64 percent. Although it was not congruent with the standard (above 20 percent) due to the Covid-19 pandemic, which requires budget refocusing, the realization of the SPM for education reached 100 percent. The realization of SPM health also increased to 87.68 percent, even with a decrease in the budget allocation for the health sector by 0.28 percent.

From the employee expenditure posture, the decrease in budget allocation for employee expenditures drove a higher overall realization of SPM. It occurred because the decrease or efficiency in employee budget allocations allowed more budget to be reallocated to the other expenditure posts that directly impact society.

4. Causative Factor of Poverty in Kebumen Regency
Based on the trend of economic growth, per capita income, along with the number and rate of poverty, it can be said that the main cause of the increase in poverty that occurred in Kebumen Regency in 2020 and 2021 is the cessation of economic and social activities due to large-scale social restrictions following the Covid-19 pandemic which not only spreading in Kebumen Regency but also other regions in Indonesia and other countries. However, it could be seen from the poverty rate from 2017 to 2018 that Kebumen Regency was ranked second for the highest poverty rate in Central Java below Wonosobo Regency and then ranked first place in 2019 to 2021. Hence, it can be concluded that Kebumen Regency had experienced poverty long before the pandemic occurred. Thus, other factors besides the pandemic have triggered poverty in Kebumen.

From the trend of regional government spending perspective, most of the regional budget is spent to pay employee expenditures. It can be seen from the percentage of employee expenditure from 2019 to 2021, which reached an average of 49.53 percent, while infrastructure expenditure only reached an average of 1.99 percent. On the other hand, the portion of education and health expenditures was also quite small, only an average of 11.67 percent and 3.53 percent, respectively, where the portion of both expenditures experienced a sharp decline in 2020. It could lead to a lack of facilities available for society due to using a much larger budget to finance employee expenditures.

In implementing the minimum service standards, one factor that has become the main obstacle from year to year in achieving the minimum service standards is the qualifications of human resources in administering public services, from setting targets and financing calculations to planning. The large allocation of employee expenditure and inadequate human resource qualifications hindered Kebumen Regency Government in achieving the predetermined minimum service standards targets. In the end, it is only the society who are disadvantaged because they do not get their rights to receive basic services that the Government should optimally provide.

![Figure 1. Problems in the implementation of Minimum Service Standards in Kebumen Regency](Source: SPM-e Central Java)

According to the issue of overly large employee expenditure, as mentioned above, it is necessary to have instruments that limit the allocation of employee expenditure budget. The HKPD Law gave rise to this scheme by limiting regional employee expenditure excluding teacher allowances allocated through regional transfer, which is a maximum of 30 percent of total regional expenditure. This limitation will encourage employee awareness of optimizing budget allocation that is precisely targeted through spending efficiency.

5. **Kebumen Regency Government Efforts in Poverty Alleviation**

   Based on the Kebumen Regent Regulation Number 21 of 2022, the regional government led the implementation of government affairs under the authority of the autonomous region. The regional government regulates the provision of assistance in the form of cash or goods to society as individuals, families, or groups selectively intending to protect the community from social risks through social aid. Meanwhile, according to BPS, social aid is direct assistance from the government to households or individuals, including the post-war impact and natural disasters. On the other hand, according to Regulation of Minister of Home Affairs Number 39 of 2012, those who receive social aid should be responsible for social aid following applicable regulations. This aid is given to underprivileged communities
where these people have limited purchasing power; hence the regional government needs to support them with this aid. Social aid is also provided based on poverty data owned by the regional government, where this data is a document containing the list of underprivileged communities based on each rural village or urban village.

Kebumen Regency Government realizes that the regency is included in the category of the poorest regencies in Indonesia. Hence more efforts need to be made to eradicate deep-rooted poverty. The initial step was to update the number of poor people as the target recipient of social aid in the Integrated Social Welfare Data (DTKS). Next, the government assisted such as housing, health insurance, and school scholarships to the poor and extremely poor. Several featured programs have been implemented by the regency government to alleviate poverty, including:

a. Latrine Program
Kebumen Regency Government built 654 latrines for the poor in five districts categorized as extreme poverty: Sempor, Karanggayam, Karanggulung, Sadang, and Alian districts. This aid is expected to reduce vulnerability to disease and improve the health of people experiencing poverty by creating a healthy and clean environment.

b. Provision of Clean Water
Kebumen Regency Government initiated the Community-Based Drinking Water Supply and Sanitation Provision (PAMSIMAS) program in 40 villages in 2021. The government expected clean water supply in Kebumen will be more evenly distributed through this program, consequently improving public health. Kebumen Regency Government is targeting all villages in Kebumen to have access to clean water by 2024.

c. Direct Cash Assistance of Village Fund
During the Covid-19 pandemic, Kebumen Regency Government provided direct cash assistance from village funds to low-income families affected by Covid-19. This cash aid is distributed to each village for IDR 600,000 monthly for three months.

d. Family Hope Program
Family Hope Program is a cross-ministered agency cooperation in poverty alleviation. This program assists in the form of cash to extremely poor households that meet the requirements following efforts to improve the quality of human resources, such as education and health. This program aims to reduce the poverty rate and improve the quality of human resources in poor communities.

e. Educational Assistance
Kebumen Regency Government allocates 37 percent of the regional budget to finance education facilities and necessities from elementary to high school, which are under the authority of the Kebumen Regency Government. It can ease the burden on low-income people and reduce the number of children dropping out of school in Kebumen. In addition, Kebumen Regency Government also provided scholarships to 3,000 underprivileged students consisting of 2,000 6th-grade elementary school students and 1,000 3rd-grade junior high school students who were recorded in DTKS. With these various educational aids, regional development is expected to progress further by improving human resources’ quality.

f. Prosperous Kebumen Card
Kebumen Regency Government has prepared a budget of IDR 28 billion to cover the health costs of the Kebumen people. This program helped cover the health costs of 47 thousand of poor people until 2022. However, there are still obstacles in managing recipient data in implementing this program, such as providing facilities to people who have changed addresses or died.

g. Other Assistance
To reduce the impact of natural disasters, Kebumen Regency Government provided several social aids, such as 64 tons of super-quality rice for 32,099 people affected by floods in eleven districts in 2022. In addition, to support farmers’ welfare, Kebumen Regency Government provided assistance of IDR 1.5 billion to Gabutan Farmer Groups (Gapoktan) in the context of implementing the Mulyo Farmer program. By doing so, it is expected that rice prices will remain stable. The regency government also assisted the same amount of fishermen to help repair boats and other necessities. This assistance is given to Gapoktan and fishermen every year.

Extreme poverty in this regency decreased by 0.7 percent from 2021 to 2022 through the implementation of assistance programs provided by the regency government, where this figure is the largest achievement in Central Java. In addition, since June 2022, no more villages in Kebumen have held the status of disadvantaged villages. It indicates that social assistance from the Kebumen Regency Government increased economic growth, thereby helping to reduce the poverty rate in Kebumen Regency. This statement follows Putra et al. (2015), who stated that by increasing social assistance, the government could
CONCLUSION

Based on the results of the discussion above, it can be concluded that the implementation of regional expenditure by the Kebumen Regency Government is still not optimal, in which the allocation of the regional budget is mostly intended for employee expenditure which is not followed by adequate quality of human resources in the implementation of basic public services. In addition, there are still budget allocations that are not following the mandatory spending provisions for education expenditure as mandated by the 1945 Constitution article 31 paragraph 4 and Law number 20 of 2003 concerning the National Education System article 49 paragraph 1 as well as mandatory spending provisions for health expenditure as stated in Law number 36 of 2009.

It has resulted in Kebumen Regency Government not being able to fulfill the Minimum Service Standards for implementing mandatory affairs of basic services, especially in the fields of education and health. The lack of adequate services for these two fields and other fields included in mandatory basic service affairs became the root cause of the high poverty rate.

SUGGESTION

From the APBD perspective, Kebumen Regency Government needs to focus the budget on expenditures that can directly affect the community such as infrastructure, education, health, and social expenditures. The initial step must be to reduce employee expenditure following HKPD Law, up to 30 percent of the regional budget. By doing so, poverty alleviation is expected to be achieved more quickly.

Kebumen Regency Government may also add other programs or activities to the poverty alleviation program related to strengthening leadership commitment in implementing and achieving minimum service standards targets. In addition, the government should establish qualification requirements for supporting human resources and provide training for human resources with duties and functions related to minimum service standards. These programs are considered to have the greatest influence on the problems of implementing minimum service standards that occurred in Kebumen Regency. Therefore, it is expected that by establishing these programs, minimum service standards targets in Kebumen Regency could be achieved, and public services will be optimally implemented.
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