

ABSTRACT

The implementation of decentralization and regional autonomy can be seen from the capacity of the financial resources. Regional Original Income is the main source of regional income. Meanwhile, the central government's source of funds is aimed at financial equity between the central government and regional governments. However, an increase in the central government's source of funds, namely the General Allocation Fund, actually causes regional expenditures to be greater than the Regional Original Revenue. Therefore, this research was conducted. This study aims to determine how the influence of Regional Original Income and General Allocation Funds on Regional Expenditures in West Java Province in 2016-2019.

This research includes descriptive and verification research. The sampling technique used is saturated sampling with 135 samples used from budget realization reports for 27 Cities/Regencies in West Java Province for 2016-2020. The data used in this study are secondary data, the analytical method used is descriptive statistical test, hypothesis testing, and multiple linear regression models with the classical assumption test of normality, heteroscedasticity, multicollinearity, and autocorrelation.

The results of this study indicate that Regional Original Income and General Allocation Funds simultaneously and partially have a positive and significant effect.