THE PROBLEM:
Chilean public schools, which have belonged to municipalities since the 1980s, experience both equity and quality challenges. While academic performance as measured by PISA scores has improved over the years, Chile still falls behind countries with similar incomes and has a significant achievement gap by household income. Chile’s school voucher program has contributed to the widening inequality in educational attainment and a decline in public school enrollment, with students and families preferring private schools that receive vouchers and partial support from the government, though education quality is not always higher than in public schools. Although a new law ending family co-payments and eliminating selection processes that disadvantaged poor students has led to some improvements, public schools remain under-enrolled and face severe resource shortages and management challenges. It was within this context that former President Bachelet and the Senate passed a 2017 law to create a new public education system, entailing a monumental shift in roles and responsibilities that represents the most significant public-sector reform in Chile’s history.

THE POLICY:
The 2017 New Public Education System Law (21.040) mandates that between 2018 and 2025, responsibility for Chile’s 6,500 public schools and over 200,000 employees will shift from 345 municipalities to 70 newly created Local Educational Services. The newly established National Directorate of Public Education within the Ministry of Education will allocate resources to and monitor the functioning of all Local Services, which will oversee the schools and early childhood education centers in their territories and manage all technical, pedagogical, administrative, and financial matters. The law ends the previous dichotomy between administrative and managerial control from the municipalities, and technical-pedagogical leadership from the Ministry of Education. In other words, the Local Educational Services will lead all aspects of education, from finances to curriculum, which is meant to create greater consistency and higher quality.

The New Public Education System Law also creates a National Education Council tasked with approving the national curriculum, learning standards, and national educational quality indicators, as well as with leading the development of a new National Public Education Strategy every 8 years. Other key stakeholders include local education officials and professionals; public school principals, teachers, students, and families; and the Local Education Council members. The latter are community members tasked with advising the Executive Director of each Local Educational Service.

These Services will increase the number of public sector institutions by 50%, representing a massive undertaking for the Government of Chile. According to the Santiago Times, this Law increases funding for public education in Chile by 5.9%, primarily aimed at increasing teacher pay and offering more
university scholarships. However, the New Public Education System Law will not change the way in which the education system and specific schools are funded. The Government will provide financial and other resources to the new Local Educational Services, which will then distribute the funds to schools. The Services will receive additional resources for operations and intermediate expenditures.

To oversee the evaluation of the new system over the next eight years, the government will create an Evaluation Board comprised of six well-known national education experts from a balance of the major political parties. The Board will advise the President on the evaluation and analysis of the Local Educational Services implementation process, and complete a final evaluation in 2025. That is likely to include a qualitative process evaluation, using interviews, focus groups, and other data from schools and educational actors, as well as a quantitative impact evaluation, using primary survey data from schools and secondary administrative data from the Ministry of Education and the Education Quality Assurance Agency.

IMPLEMENTATION PLAN AND STATUS:
This law is marked by a rapid transition from policy to practice: it was approved in November 2017 and the first Local Educational Service was created in March 2018. The law mandates that 11 Local Educational Services be established by 2021, at which time a committee of experts will conduct a midterm evaluation. This midterm evaluation will not only evaluate implementation, but will also define the schedule, process, and best practices for the second part of the transition, the creation of the remaining 59 Local Services. This approach allows the evaluators to compare key indicators for schools that have and have not undergone the reform. According to the Evaluation Plan, results of interest include: educational development (including test scores), enrollment in public schools, inclusion and equity, promotion of participation from the local education community, financial management, and technical pedagogical support. A baseline evaluation was conducted in 2017, which will be used as a point of comparison for the 2021 midterm evaluation and 2025 final evaluation. Data collection will be led by the Ministry of Education and Public Education Directorate, the Education Quality Assurance Agency, the Education Superintendents, and the Local Educational Services, among others.

The response from the municipalities has been varied. While some mayors welcome the opportunity to give up responsibility for schools and education, others are less supportive. Many mayors are accustomed to receiving significant resources for education, which they sometimes redistribute to other sectors and services depending on their own priorities.

KEY CHALLENGES:
• Human resources: the Government of Chile is looking to hire new staff to run the Local Educational Services, as it sees this as an opportunity to attract high quality talent and establish a new results-oriented culture. However, there is a significant human resources shortage, and the government is experiencing difficulties finding and retaining qualified individuals, and building existing staff’s knowledge and skills for successful implementation. There are also challenges around creating a shared vision and new organizational policies and practices.
• Resistance to change: certain community members and municipal administrations are resistant to change. There have been strikes, community backlash, and non-compliance from some municipalities. These are often reactions to a lack of information or insecurity around jobs.
• Technological infrastructure and data management: currently, there is not a common system or set of standards across municipalities for collecting data, issuing contracts, investing in

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infrastructure, and other fundamental aspects of education service management. This complicates the transition to management by new institutions.

- Public sector growth: by creating 70 new agencies, this policy will increase the number of public service agencies under the Chilean Government by one third, creating an impact on the entire public bureaucracy, not just the education system. Establishing the Local Directorate Committees and Local Education Councils has been particularly challenging.
- A presidential transition in 2018 has added further complexity and required some re-negotiating with the new political administration.

ACCOMPLISHMENTS:

- Implementation of the policy is led by a team of committed people with a clear vision for success, a concrete theory of change and results chain, and a 2017 baseline evaluation with which to compare the results of the new education system.
- Four Local Educational Services have been successfully created in a matter of months, in addition to the new National Directorate of Public Education, which is tasked with oversight and resource allocation. The two have already begun building a positive relationship, marking a major shift from a decentralized to a mid-level education system in a very short time.
- New policies and practices have been created to help restructure the national public education system.

WHAT’S NEXT:

- Four Local Educational Services have been already been established, with seven more to go to hit the target of eleven by 2021.
- This law mandates the creation of an eight-year Public Education National Strategy, which presents a unique opportunity to select key indicators for monitoring success. The team hopes to gain a better understanding of what needs to be measured throughout the transition process to provide the Government of Chile with accurate and complete information about implementation.
- The team has relevant data in some fields (academic achievement, management, and finance) but not in others (community involvement, efficiency, or to what extent the spending is oriented to educational quality). They are looking for insights into how the external committee can better collect and analyze relevant data. Discussion during development of the 2017 law emphasized leveraging administrative data wherever possible.
- The team is also looking for guidance on how to recruit quality candidates for the new agencies, especially Local Services in more remote and less desirable locations.
- Finally, the team is interested to learn from other reform efforts that have moved management from the local level toward the national level.

Written in consultation with Patricio Andres Leiva Irigoyen, Chief of the Economic and Financial Affairs Division, Chile Ministry of Education Directorate of Public Education, with support from Ari Gandolfo and Kelly Dale. © Results for All, July 2018. For more information, contact info@results4all.org.