



Media Contact:  
Jonathan Jaffe  
908-789-0700  
[jonathan@jaffecom.com](mailto:jonathan@jaffecom.com)

---

## Researchers Credit New Jersey Co-op for Multi-Million Dollar Cost Savings to Schools

*Economists determined that the Educational Services Commission of New Jersey substantially reduced prices and increased bandwidth by bundling Internet demand.*

**PISCATAWAY – July 18, 2024** – For 10 years, the Educational Services Commission of New Jersey (ESCNJ) has saved school districts money on technology through consortium purchasing. A newly-released report by researchers from four major colleges shows just how much money they saved during the first wave of ESCNJ’s broadband co-op program.

“Estimated cost savings from the program range from \$2 million to \$6.9 million,” according to the researchers.

The report, called “Bundling Demand in K-12 Broadband Procurement,” was prepared by independent economists from Stevens Institute of Technology, Boston College, Boston University, and the University of Michigan. Together, they studied procurement models that aggregate demand for technology services, such as Internet access, resulting in quantifiable savings to taxpayers.

When the researchers heard about the ESCNJ’s broadband consortium, they launched a study to evaluate effectiveness by analyzing public records.

“Bundling demand can obtain similar cost savings to the schools (and greater bandwidth-adjusted savings) compared to the E-rate subsidy program and at no cost to taxpayers,” reads the report.

The federal E-rate program charges New Jersey telecommunications customers fees to subsidize broadband access in schools. The revelation that the ESCNJ’s cooperative purchasing program is providing comparable financial benefits to schools as the E-rate program without levying any taxes or fees on New Jerseyans is one of the most consequential findings of the report.

“We are extremely pleased that these independent researchers have quantified the impact of our purchasing consortium,” said Nadia Romano, the ESCNJ Schools Superintendent. “The conclusions validate what ESCNJ and its members already know: cooperative purchasing saves taxpayers money.”

Dr. Pallavi Pal, an assistant professor at Stevens Institute of Technology in Hoboken and member of the research team, said ESCNJ’s program serves as an example to other states seeking to control technology costs.

“ESCNJ’s program reduced prices while improving the level of service; it can be seen as a success,” said Pal, noting the researchers plan to dig deeper into the data to assess more recent waves of the ongoing program.

ESCNJ’s broadband purchasing consortium is known as the “New Jersey Digital Readiness for Learning Assessment Project” (NJDRLAP). It was launched in 2014 with the New Jersey Department of Education to help school districts improve their broadband access for online standardized tests.

Ten years later, it has become a popular and trusted broadband service contract for public schools in New Jersey. More than 358 school districts have used the NJDRLAP program so far, which is more than 60 percent of school districts statewide.

The NJDRLAP program is also open to local government organizations, including libraries, community colleges, public universities, and municipal authorities. Last year, 12 new local government organizations joined the program, bringing the total number of non-school participants to 60 statewide.

Seven service providers currently participate in the program. Comcast, CherryRoad, DNS, Lightpath, PenTeleData, Planet Networks, and Xtel Communications.

ESCNJ recently conducted an extensive survey of its co-op members and upgraded its NJDRLAP contracts following the feedback. The new statewide broadband contracts increased average available Internet bandwidth by 22 percent while decreasing the cost for service by nine percent.

“School districts are struggling with price increases in all aspects of school administration and instruction,” Romano said. “But our co-op continues to deliver tremendous value to taxpayers. We are keeping teachers in the classroom and providing students with leading-edge tools for learning.”

The ESCNJ co-op is also helping students with special needs. All the proceeds from the ESCNJ consortium support programs for children and adults with disabilities and special educational requirements.

To read the report, “Bundling Demand in K-12 Broadband Procurement,” click [here](#).

end