



STATE OF NEVADA
GOVERNOR'S FINANCE OFFICE
Budget Division

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Date: May 7, 2026
To: Tiffany Greenameyer, Clerk of the Board
Governor's Finance Office
From: Budd Milazzo, Executive Branch Budget Officer II *BM*
Governor's Finance Office
Subject: INTERIM FINANCE COMMITTEE **INFORMATION** ITEM

The following describes an action item submitted for placement on the agenda of the next Interim Finance Committee meeting.

GOVERNOR'S OFFICE OF SCIENCE, INNOVATION AND TECHNOLOGY

Agenda Item Write-up:

Pursuant to the Senate Committee on Finance and the Assembly Committee on Ways and Means of the 83rd (2025) Legislative session, the Office of Science, Innovation, and Technology is required to submit a quarterly report relating to the American Rescue Plan Act Coronavirus Capital Project Fund (\$130.0 million) and Broadband Equity, Access, and Deployment funds (\$100.0 million), and the ARPA Coronavirus State Fiscal Recovery Funds (\$203.6 million). Additionally, the Office of Science, Innovation, and Technology is required to submit a summary of any progress made in expanding broadband infrastructure throughout Nevada. This report covers the time period from January 1, 2026 through March 31, 2026.

Additional Information:

Per the requirements of the Letter of Intent, the report contains information delineated by grant; a summary of federal funds awarded; a line-item summary of funds sub awarded by the Office of Science, Innovation and Technology; a line-item summary of expenditures realized; and a line-item summary for planned future expenditures with an expected timeline.

Statutory Authority:
2025 Legislative Letter of Intent

REVIEWED: *BM*
GFO INFO ITEM: *L*
LCB AGENDA ITEM _____



Joe Lombardo
Governor

STATE OF NEVADA

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Britta Appel
Director

The Senate Committee on Finance and Assembly Committee on Ways and Means (Committees) have requested that the Office of Science, Innovation and Technology (OSIT) report on the expenditures of the federal funds related to broadband. Specifically, the Committees have requested information regarding funding from the American Rescue Plan Act (ARPA), State Fiscal Recovery Fund (SFRF), ARPA Capital Projects Fund (CPF) and the Broadband Equity, Access and Deployment (BEAD) fund. This report covers the period of January 1, 2026 – March 31, 2026, and will provide the requested information about each program individual.

Essential government services, educational and economic opportunities, business services, telemedicine, public safety, and staying connected with family and friends are all increasingly reliant on broadband networks. The ARPA and BEAD funds represent a once-in-a-generation opportunity for Nevadans, no matter where they live, to finally achieve an essential service that is now integrally connected into every facet of life. While many Nevadans are unable to access the Internet due to lack of connectivity infrastructure, others are unable to access the Internet because they cannot afford it or do not have a computer or laptop. Nevada cannot afford to leave any community, rural or urban, behind as we work to close the digital divide.

The Office of Science, Innovation and Technology (OSIT) is designated as the State Broadband Office and is responsible for the creation and implementation of the State's broadband goals and objectives, including the implementation of federal broadband programs. Following significant and robust local community engagement, OSIT created the **High-Speed Nevada (HSNV) Initiative**. The objective of HSNV is universal access to modern broadband infrastructure that provides all Nevadans, at their home or business, access to an affordable, reliable, and scalable high-speed internet connection. While the federal government has allocated significant funds for broadband, needs in Nevada are also significant due to our geography, rough terrain, the remoteness of our population centers, and the lack of modern broadband infrastructure. The High-Speed NV Initiative will combine federal, State, local, and private funding to begin to close the digital divide in Nevada and bring 21st Century infrastructure to every part of the state.

ARPA SFRF

Funding Amount: \$203.6 million

Funding Purpose: Construction of fiber to Government Facilities and Community Anchor Institutions (CAIs)- In Phase I of the High-Speed Nevada Initiative (HSNV), OSIT will build fiber to selected unserved and underserved State and local government facilities, schools, and libraries. This project has two goals. First, fiber will provide better connectivity to government facilities and CAIs to provide essential services to students, families, clients, constituents, and patrons. Second, OSIT desires to extend fiber deeper into the ecosystem in preparation for bringing BEAD dollars to serve unserved and underserved residential locations and CAIs. Additionally, OSIT will use ARPA SFRF dollars as needed

to supplement BEAD dollars to ensure that every unserved or underserved location, and every CAI, is served.

Summary of Progress (Phase I - Middle Mile): Phase 1 of the HSNV Initiative was to build “the fiber backbone” and connect State and Local Government Facilities, Schools and Libraries, and other community anchor institutions. These projects involve “designated project areas” throughout the state.

Four awards were issued in late 2024. Zayo Group, Zito Media, Sky Fiber Internet, and Valley Electric Communication. Through OSIT’s efforts to use ARPA SFRF funds to leverage other federal funds, OSIT has secured an additional \$46,063,225.64 beyond ARPA to complete the projects in Phase I. Following approval of the awards, sub awardees commenced the planning, engineering and design process. OSIT has assigned a construction project manager for each project to monitor safety and compliance, serves as a liaison to federal, state, and local stakeholders, and monitors progress.

Project Status – Phase I (“Backbone/State Facilities”)

1. Zayo Group – Clark County, McCarran Center. Approximately 95% complete. Will be complete by ARPA 12/31/2026 deadline.
2. Valley Electric Group – Clark, Nye, Esmerelda Counties. Approximately 25% complete. A total of 8 “segmented” routes were combined into one large BLM permit that spanned three counties and involved hundreds of aerial miles requiring extensive pole engineering for thousands of poles and pole permitting (primarily with NV Energy’s poles). One route cannot be completed due to pole replacement costs (Mead-Laughlin-Searchlight route). VEA has modified its Plan of Design. OSIT continues to work with BLM and VEA on this matter.
3. Sky Fiber Internet – Lyon, Douglas, Carson City. Approximately 85% complete. One route, through Carson City, is still in permitting with Carson City Parks & Recreation. Anticipate full completion by August 2026.
4. Zito Media – Elko, Humboldt Counties. Completed construction in Humboldt County, December 2025. Elko BLM permit granted in March. Construction to begin by end of April and be completed by October 2026.

Summary of Progress (Phase III-Last Mile): In Phase III of the High-Speed Nevada Initiative, OSIT conducted a fair, open and competitive subgrantee selection process for all unserved and underserved locations, starting in late summer 2024 and concluding in mid-2025. Based on the results of the bids OSIT received, OSIT subawarded approximately \$100 million in SLFRF funds to two subrecipients for multiple projects in Lyon County, Washoe County, Eureka/Humboldt, Nye County and Clark County. Pre-construction activities and permitting pending. SkyFiber scheduled to start construction in Lyon County in April 2026. Projects are scheduled to start in May and continue until November 2026. Anticipate full completion by December 2026.

Funding Committed to Date (as of 03/31/2026): \$203,580,768

Funding Expended- Subawards (as of 03/31/2026): \$56,378,659

Funding Expended- Administrative and Program Development (as of 03/31/2026): \$4,153,540

Planned Future Expenditures – OSIT will continue to expend subawarded funds through 12/31/2026

ARPA CPF

Funding Amount: \$135,603,020

Funding Purpose: Nevada's CPF dollars will move the State closer to its goal of universal access to high-speed internet that is affordable, reliable, and scalable. Nevada's CPF plans are a part of the larger High Speed Nevada Initiative- a statewide effort to deploy broadband infrastructure that will help close the digital divide. CPF funds are being used for both "middle mile" fiber projects and "last mile" fiber projects.

Summary of Project & Progress (Phase I- Middle Mile): The Northern Nevada Middle Mile program focuses on unserved and underserved areas along the rural portion of the I-80 corridor in Northern Nevada, stretching the entire width of the state. The program will build ubiquitous, open access, middle mile infrastructure along the I-80 route with robust, redundant pathways to major internet exchange points, a range of lit middle mile services offered at affordable pricing comparable to that available in metropolitan areas, and long-term dark fiber IRUs available to competing companies. OSIT estimates that the project will result in improved access for approximately 42,500 rural locations. All engineering and design work has been completed for the route. Permit approval is anticipated in Spring of 2026. Negotiation of tribal easements continue.

Summary of Project & Progress (Phase III- Last Mile): In Phase III of the High-Speed Nevada Initiative, OSIT conducted a fair, open and competitive subgrantee selection process for all unserved and underserved locations, starting in late summer 2024 and concluding in 2025. Based on the results of the bids OSIT received, OSIT subawarded approximately \$52 million in CPF funds to 4 subrecipients. Remaining unserved and underserved locations will be served by other funding sources. From December 2025 to March 2026, pre-construction activities, including engineering and pole assessments continued.

Construction started in both southern and northern Nevada. Projects remain on track. COX COMMUNICATION; on schedule for completion by 12/2026; MOAPA TELEPHONE, approximately 50% complete; full completion by late summer. RURAL TELCO, approximately 50% complete; full construction by mid-summer. SKY FIBER – multiple counties, construction to start in Lyon County April 2026. Permitting in process other counties. Anticipate full completion by December 2026.

Funding Committed to Date (as of 03/31/2026): \$135,603,020

Funding Expended- Subawards (as of 03/31/2026): \$9,375,187

Funding Expended- Administrative and Program Development (as of 03/31/2026): \$1,951,074

Planned Future Expenditures – OSIT will continue to expend subawarded funds through 12/31/2026.

BEAD

Funding Amount: \$416 million

Funding Purpose: Created by the Infrastructure Investment and Jobs Act (IIJA), the Broadband Equity, Access, and Deployment (BEAD) program provides federal funding to all fifty states for broadband planning, mapping, and deployment. The National Telecommunications and Information Administration (NTIA) is the federal agency responsible for administering the BEAD Program. The IIJA allocated \$42.5 billion to the BEAD Program and Nevada was allocated \$416 million.

Summary of Progress: Initial BEAD awards included a matching sum paid by CPF/SLFRF. However, in June 2026, all previous awards were rescinded by the Restructuring Policy Notice (RPN). The RPN required all states to re-bid project areas, and no longer recognized fiber as a preferred technology. Instead, it advocated a

“technology neutral” requirement that put satellite on the same footing as fiber. The RPN not only required re-bidding by the Providers but also required OSIT to conduct a “Benefit of the Bargain” (BOB) round, which included providing new application materials, templates, and instructions to bidders, rebidding the remaining, unawarded unserved and underserved project areas, evaluating and scoring applications, publishing those awards for public comment. Thereafter, a “Best and Final Offer” round was requested, along with modification of the Final Proposal to NTIA for review and approval.

January 8, 2026	NTIA approved Final Proposal
March 18, 2026	NIST approved BEAD Award and delivered Notice of Award
March-April 2026	Notice of Award (NOA), Special Award Conditions under review.

NTIA has not yet issued guidance on permissible uses of Non-Deployment funds.

Next steps: Securing Tribal Resolutions of Consent from 22 Nevada Tribal Nations; Securing BEAD-required environmental consulting firm through an RFP process; Conducting subgrantee orientations and finalizing subgrantee awards for all Awardees.

Funding Committed to Date (as of 03/31/2026): \$416,666,229.74

Funding Expended- Subawards (as of 03/31/2026): \$0

Funding Expended- Administrative and Program Development (as of 03/31/2026): \$3,508,512

Planned Future Expenditures – OSIT will commence the expenditure of subawarded funds after signing of subaward agreements by September 2026