



NORTHWEST FLORIDA STATE COLLEGE

Memo

To: Board of Trustees
From: Dr. Devin Stephenson, President
Date: April 16, 2024
Re: Augmented and Virtual Reality Training Partnership

Through the process of proposing and receiving the Enhancing Pathways in Nursing Education grant from Triumph Gulf Coast, the College has sought a partner to create and implement custom augmented and virtual reality training for the College's nursing students. After thorough market research, the Nursing faculty and leadership propose partnering with Xennial, a Florida-based Virtual Reality/Augmented Reality (VR/AR) company that specializes in building immersive academic and workforce training solutions. Xennial would partner with the College to codevelop customized VR/AR simulated experiences for future nurses and healthcare professionals in Northwest Florida and beyond. The College has tested the potential partnership with Xennial through a planning stage agreement, which Xennial has completed satisfactorily. The expanded partnership described in this informational memorandum will be funded by the Triumph Gulf Coast grant to reinforce the College's efforts to expand nursing training.

The next stage of a partnership is projected to occur from May 2024 to August 2025. This is the heavy lift phase of the project in which both the College and Xennial will focus on the development of the training solutions, which is the intellectual property. The training solutions would include design and modeling of several VR patients, designing and developing three healthcare training modules and assessments, and embedding circumstances and medical conditions into each VR scenario. The cost of Phases 1 -3 are as follows:

- Phase I (May – August 2024): \$434,300 USD (4 months)
- Phase II (September 2024 – May 2025): \$826,500 USD (9 months)
- Phase III (June - August 2025): \$286,525 USD (4 months)

Total Contract Value: \$1,547,325.00

After the simulated experiences are developed, the intellectual property can be licensed to other institutions in need of VR/AR training solutions. At this stage, the partnership also includes a revenue share agreement in which the College retains at least a 50% co-ownership interest in the intellectual property and receives at least half of the revenue from the licensing of the intellectual property. When the agreement begins producing revenue (not before mid-2025), the College may direct that revenue as it chooses, and the College will bring that decision back to the Board.

This introduction to the VR/AR partnership is presented this month for information in anticipation of the agreement being included on the purchases of more than \$325,000 listing for Board action in May.