General Manager's Report

January 1st - March 31st
Quarter 1 2025

Executive Summary

We are entering 2025 with strong momentum and renewed excitement at Tyler Nebraska. Fueled by significant modernization efforts across both our legacy applications and the statewide website platform, our team is well-positioned to manage the portal effectively and deliver new value to our agency partners.

In December 2024, the Nebraska State Records Board unanimously approved our Annual Business Plan, which centers on three strategic initiatives: Modernizing Technology Infrastructure, Elevating the Citizen Experience, and Driving AI Innovation. I'm proud to report that we've made meaningful progress in all three areas during the first quarter of 2025.

Modernizing Technology Infrastructure

Our modernization work has continued at a vigorous pace. Most notably, we successfully upgraded the statewide Drupal website platform from Version 7 to Version 10 in Q1. Additionally, we are progressing steadily with the migration of legacy applications to the Tyler Application Platform. Several new applications have already launched, with many more in development. We anticipate completing a majority of this migration work by Q3 2025.

Elevating the Citizen Experience

We remain deeply committed to improving the citizen journey through more intuitive, efficient, and user-friendly digital services. Our Engagement Builder platform is providing modern solutions to agencies that are still relying on outdated paper-based processes. We continue to partner with agencies to identify opportunities where enhanced digital engagement can make a measurable impact.

Driving AI Innovation

Tyler Nebraska is also leading the way in exploring practical AI use cases within the state. In March, the Nebraska State Records Board approved a pilot project to deploy an AI-powered chatbot with the Department of Motor Vehicles. We are currently working through the contracting and implementation phases of this initiative. Beyond the pilot, we've reviewed several other AI-based solutions with state partners, further signaling growing interest in transformative technologies

In addition to our core initiatives, we've delivered a wide range of projects to meet agency needs, including new website builds, custom application enhancements, and payment integrations. Our team remains focused on responsiveness, innovation, and delivering results across every engagement.

We're excited about the road ahead and look forward to continuing to serve the State of Nebraska in 2025—bringing smarter, more impactful technology solutions to our partners and the public.

Tanner Hughes

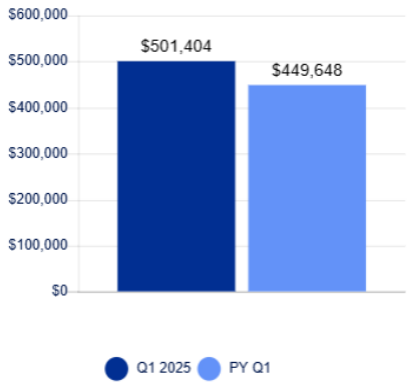
General Manager | Tyler Nebraska

Financials

Quarter 1 2025 Financial Metrics						
Primary	Q1 2025	PY Q1	Q1% Variance	Full Year 2025	Full Year 2024	FY Variance (%)
NI Revenue	$3,528,969	$3,244,341	8.8%	$3,528,969	$3,244,341	8.8%
20% NSRB Margin Share	$501,404	$449,648	11.5%	$501,404	$449,648	11.5%
Gross Margin	$3,027,565	$2,794,694	8.3%	$3,027,565	$2,794,694	8.3%
Merchant and Payment Processing	$914,347	$884,825	3%	$914,347	$884,825	3%
General and Administrative Costs	$57,811	$43,375	33.3%	$57,811	$43,375	33.3%
IT and Development	$781,053	$887,911	-12.0%	$781,053	$887,911	-12.0%
Compliance	$8,200	$7,367	11.3%	$8,200	$7,367	11.3%
Marketing and Advertising	$10,500	$10,500	0.0%	$10,500	$10,500	0.0%
Operating expenses	$735,331	$645,875	13.9%	$735,331	$645,875	13.9%
Total Expenses	$2,507,241	$2,479,852	1.1%	$2,507,241	$2,479,852	1.1%
Operating Income	$520,324	$314,841	65.3%	$520,324	$314,841	65.3%
Total Income Tax Expense (Benefit)	$146,966	$84,772	73.4%	$146,966	$84,772	73.4%
Net After-Tax Income (Loss)	$373,358	$230,070	62%	$373,358	$230,070	62%

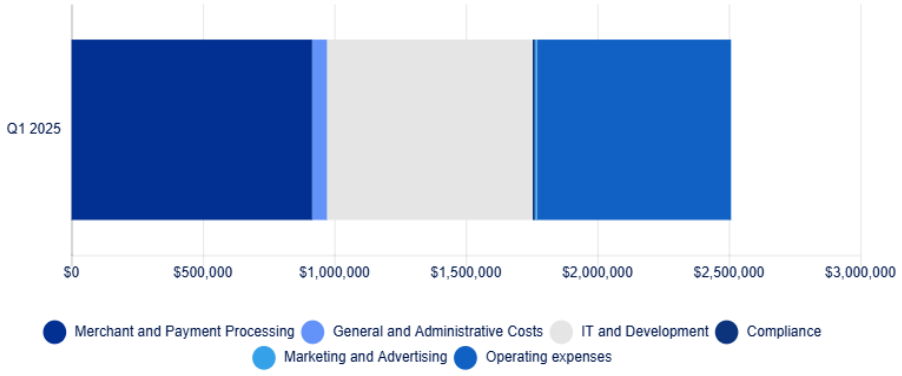
Financials

Cash Back to the State Records Board Fund



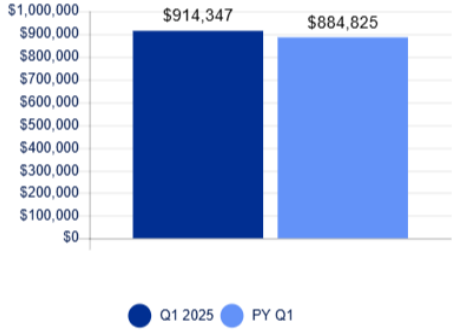
The NSRB receives 20% of the gross transaction fees for the executive branch of government. In Q1 of 2025, NSRB's revenue share increased 11.5% compared to Q1 2024.

State Cost Avoidance



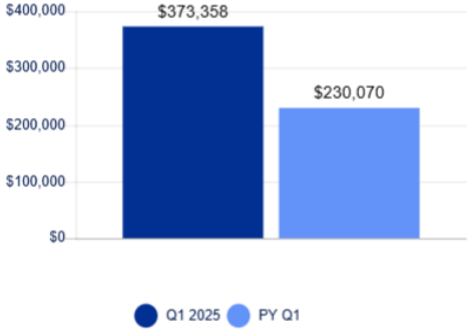
The state avoids the costs of several different portal operations. The total state cost avoidance for these areas was $2,507,241 in Q1 2025. These various costs increased 1.1% in Q1 2025 compared to the same period in 2024.

Merchant Fees Paid by Tyler on behalf of the State



Tyler Nebraska pays the merchant and banking cost for all board-approved transaction fees. These costs affect the operating income of the portal. Merchant fees increased 3% in Q1 2025 compared to Q1 2024.

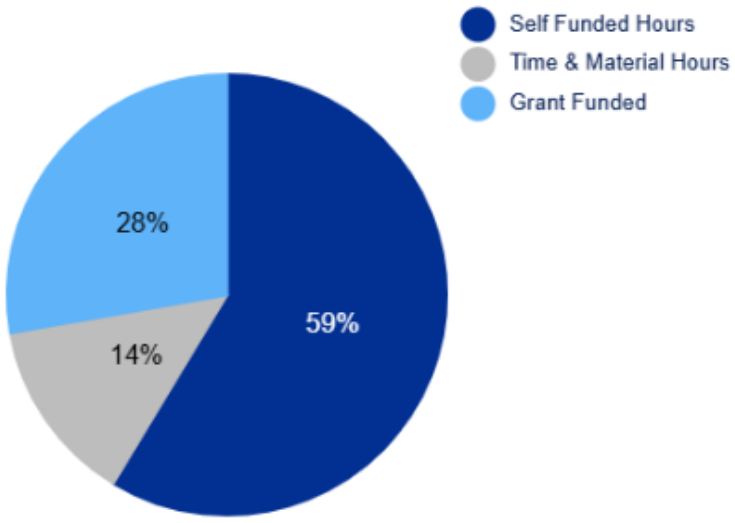
Tyler NE Net Profit



Tyler Nebraska's net profit increased by 62% in Q1 2025 compared to Q1 2024.

Time and Hours Review

Q1 2025 Project Funding



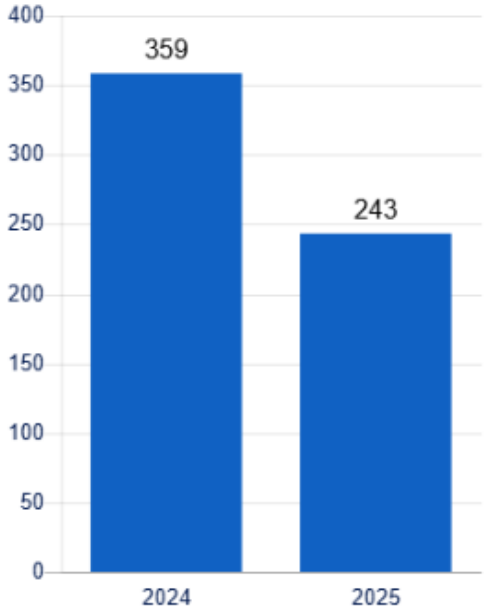
Self-funded and **non-revenue** hours are subsidized through transactions approved by the NSRB. **Time and materials** are paid for and included in an SOW agreement with the partner by hourly development rates (such as websites). **Revenue** hours are billed for services such as content management requests. These totals include development hours only.

Grant-funded hours are non-tax appropriated funds acquired through the NCHIP/NARIP grant in conjunction with the Nebraska State Patrol.

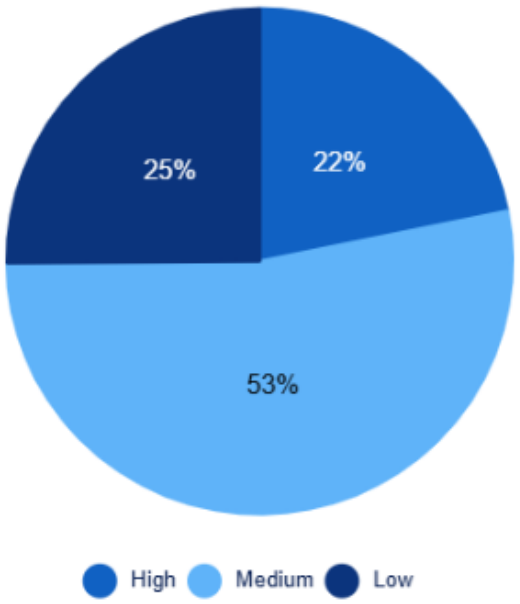
Hours allocated for modernization upgrades are allocated as "self-funded" hours. Through Q3 2024, 88% of all hours came at no direct cost to the State.

Technical

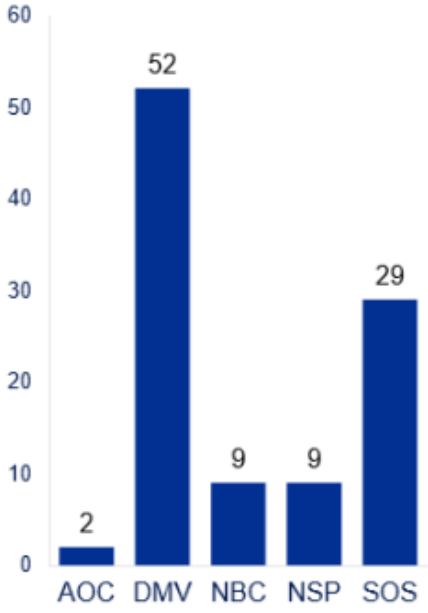
Q1 Total Support Tickets



Q1 Support Tickets by Severity



Q1 Tickets by Major Agency



Q1 2025 Uptime Report

Uptime (%)

1st Quarter

99.98%

Downtime Reports

1st Quarter

5

Downtime (mins)

1st Quarter

31

Response time (ms)

1st Quarter

266

Security

Security Summary

This quarter highlighted growing concerns about the stability of national cybersecurity infrastructure at a time when more responsibility is shifting to state and local governments. In March, a White House executive order called for federal agencies to streamline operations and transition some cybersecurity roles and risk management responsibilities to non-federal entities. While intended to improve efficiency, the move has raised concerns about whether local governments have the resources and support to manage rising cybersecurity risks.

In April, the future of one of the essential tools in cybersecurity, the Common Vulnerabilities and Exposures (CVE) Program, was briefly in doubt. Run by the nonprofit MITRE and funded by CISA, the CVE Program catalogs newly discovered software vulnerabilities to help organizations act quickly. Funding for the program was nearly allowed to expire, prompting concern across the public and private sectors. CISA ultimately extended MITRE's contract for 11 months. A new CVE Foundation was launched to help ensure the program's long-term sustainability.

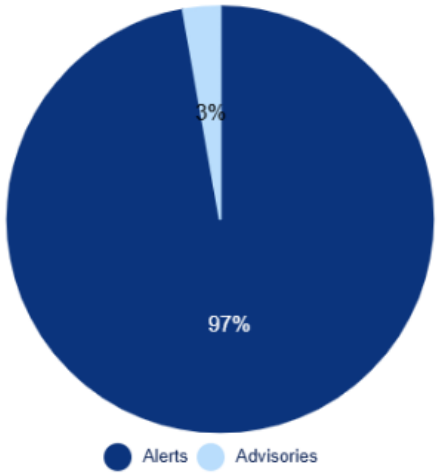
Tyler Technologies continues to provide cybersecurity support to public sector agencies, including around-the-clock monitoring and threat detection services through its Managed Detection & Response (MDR) Services. These offerings help agencies identify and respond to threats more effectively, especially in environments with limited internal cybersecurity staffing and resources.

These developments underscore the urgent need for reliable cybersecurity infrastructure and the growing pressure on state and local agencies to meet modern threats with limited resources.

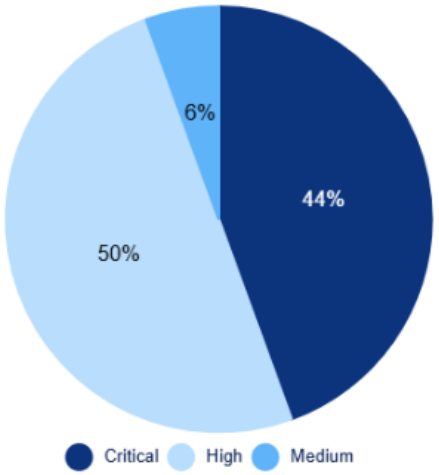
Sources:

- BankInfoSecurity, March 2025 – "White House Shifting Cyber Risk to State, Local Agencies." https://www.bankinfosecurity.com/white-house-shifting-cyber-risk-to-state-local-agencies-a-27793
- The Verge, April 2025 – "CISA Nearly Let CVE Funding Lapse." https://www.theverge.com/news/649314/cve-mitre-funding-vulnerabilities-exposures-funding
- CVE Foundation – https://www.thecvefoundation.org/news
- Tyler Technologies – https://www.tylertech.com/services/managed-detection-response

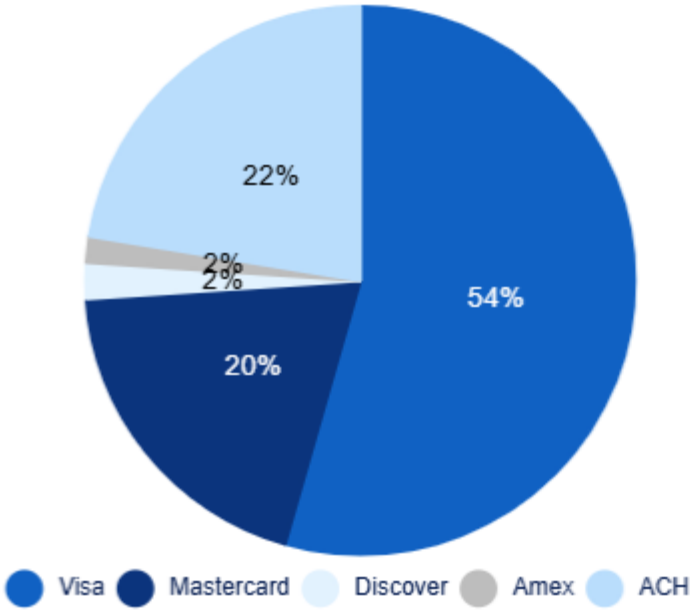
Q1 Security Alerts (Type)



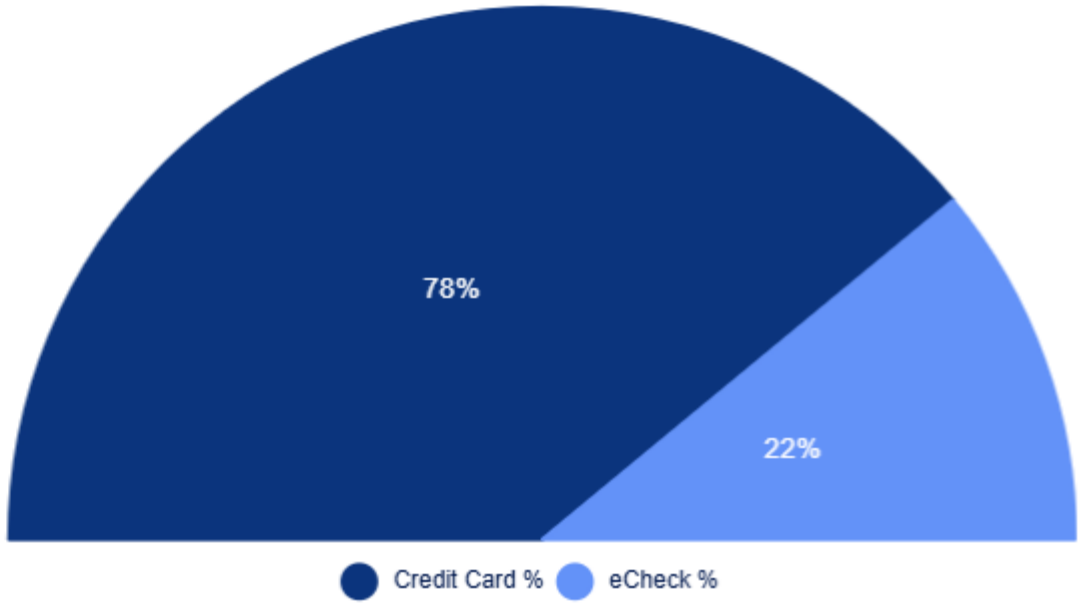
Q1 Security Alerts (Severity)



Q1 Card Transaction Totals by Type



Q1 Transaction Volume by Payment Category



Customer Satisfaction Ratings

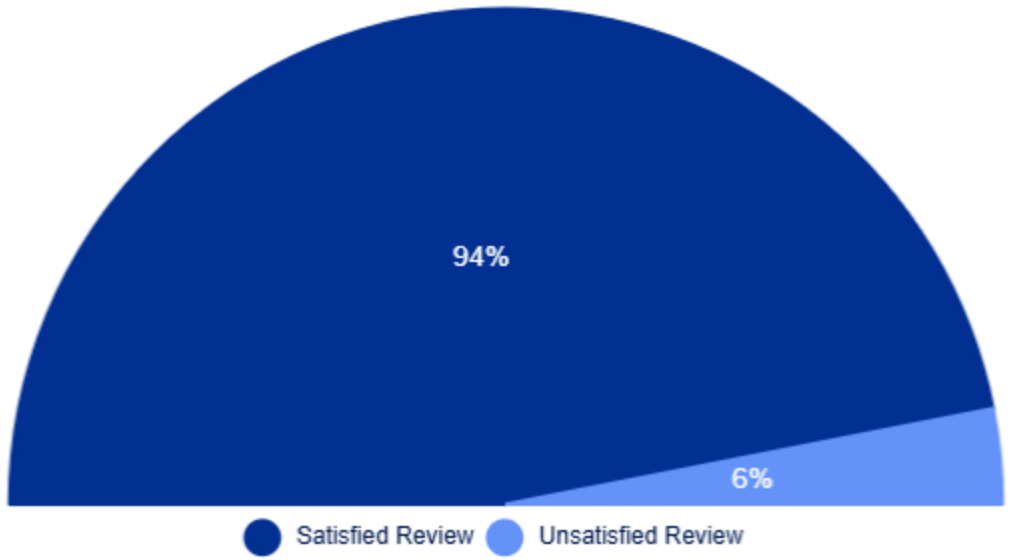
Customer Support Satisfaction Score

In an effort to continuously improve our customer support, Tyler Nebraska has implemented a customer service rating system for users submitting support tickets. After a ticket is resolved, users are prompted to provide feedback through a satisfaction rating, indicating either "satisfied" or "unsatisfied," along with the option to leave additional comments.

This feedback is captured and monitored using our ZenDesk support platform, allowing us to regularly review and assess service performance.

In Q1 of 2025, Tyler Nebraska received ratings on 598 support tickets, achieving an overall satisfaction score of 94%. This rating reflects our commitment to providing excellent customer service and addressing user needs effectively.

Satisfaction Review Q1 2025



Personnel Report

Tyler Nebraska Staff Totals

Total Filled Positions: 23

Open Positions: 1

Departures in 1st QTR: 0

**Updated on 05/28/2025*

In Q1 2025, Tyler Nebraska had no staffing changes.