

# Local Government **REIMAGINED CONFERENCE**

JUNE 5-7, 2024 PALM DESERT, CALIFORNIA

## **What's Next in Payment Tech: Exploring Possibilities for Forward-Looking Governments**

Morgan Jines, Vice President, Payments

Tyler Technologies

**ICMA** | conference



# Morgan Jines

Vice President, Payments & Sales  
Tyler Technologies

# Learning Objectives

- Develop a deeper understanding of how payments and disbursement expansion trends will continue to shape the landscape of payment digitization.
- Discover how data and analytics empower governments to understand payer behaviors and make strategic decisions that drive resident adoption.
- Explore the role risk and payment security protections play in mitigating data breaches, reducing fraud, and protecting government reputations.

# Trends Reshaping Payment Digitization

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# Which area of impact most concerns Government Agencies & Departments?

Data Privacy & Cybersecurity

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Data Privacy & Authentication

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Use of New Technology

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Alternative Payment Methods

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Real-Time Payments

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Local Regulatory Pressures

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Know Your Customer (KYC)

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Anti-Money Laundering (AML)

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Open Banking

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Mergers & Acquisitions



# The Evolution of Payment Digitization

**42%** increase in global cashless payment volumes since 2019

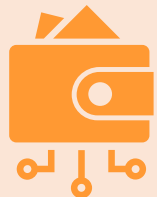
**86%** believe traditional payment providers will collaborate with FinTechs and Technology providers as a main source of innovation



Generative AI could increase banking productivity by 2.8 to 4.7 percent, equivalent to **\$200-340 billion**



Modernization of banks' technology stacks can reduce operating costs by 20-30% and halve time to market for new products



Digital wallet-based transactions grew globally by 7% in 2020, with the prediction that digital wallets will account for more than ½ of e-commerce payments in 2024

**43%** of all payments in the U.S. and Canada are expected to be cashless by 2025

# The Road to Digital Payment Acceptance

**1994**

First online credit card transaction



**1997**

Text pay is introduced



**2009**

Bitcoin and Venmo created



**2014**

Apple Pay introduced



**2017**

The Clearing House launches RTP (Real-Time Payment) Network



**1995**

First contactless payment made



**1998**

PayPal founded



**2011**

Google Wallet released



**2015**

Samsung Pay introduced



# Driving the Shift to Digitized Payments



New Cashless & Mobile Technologies

Constituent Demographics & Demand

Inclusive Economy & Financial Transparency

Increased Security Awareness

Improved Cash Flow Management

Battle of the Payment Rails

Providing Greater Access to Underbanked Communities



# Developing a Holistic Payment Fraud Strategy

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# Impact From Government Data Breaches Over the Past 10 Years



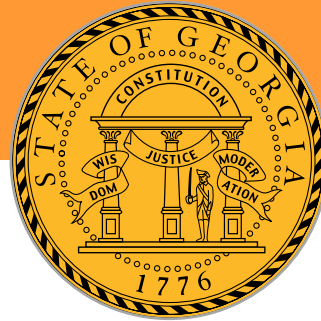
3.5 Million Records

Texas  
Comptroller's  
Office



3.6 Million Records

South Carolina  
Department of  
Revenue



6.2 Million Records

Georgia Secretary  
of State Office



21.5 Million Records

U.S. Office of  
Personnel  
Management

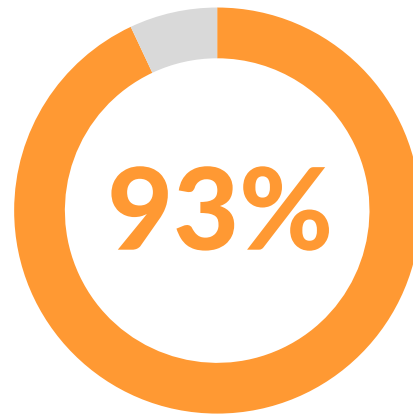


191 Million Records

U.S. Voter  
Database

# The Rise of Data Breaches in Government

Data vulnerabilities are on the rise in the public sector.



Organizations that expect to increase cybersecurity spending in the next three years

**\$26 billion**

The cost of data breaches to local, state, and federal governments over the past decade

**175 million**

records of personal identification information (PII) affected in 822 individual incidents nationwide

**\$10.5 trillion**

The expected cost of cybercrime by 2025

**35%**

of CISOs believe AI will alleviate security skill gaps and talent shortages

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# Source of Threats for Cybercrime



- Open-Source Vulnerabilities
- Advanced Phishing Technologies
- Ransomware
- Fraud & Identity Theft
- Global Economic Headwinds
- Lack of Investment & Preparation

# Defining an Offensive Approach to Fraud & Security in Government



- ✓ Address Verification Services (AVS)
- ✓ CVV, CVV2, CID, CVC Validation
- ✓ Maximum Transaction Limits
- ✓ Validation of a CAPTCHA
- ✓ Real-Time Payment Authorization
- ✓ NACHA Account Validation Services

# Defining an Offensive Approach to Fraud & Security in Government



- ✓ Fraud Scoring & AWS
- ✓ 3D Secure
- ✓ PCI-Validated Point-to-Point Encryption
- ✓ Network Tokenization
- ✓ Account Updater
- ✓ ASV Scanning & PCI 4.0

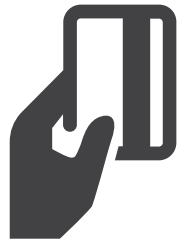
# Data & Analytics Empower Government Decision-Making

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# The Value in Learning Constituents Paying Behaviors & Modernizing Government



Drives payer adoption



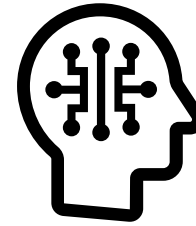
Increases operational efficiencies



Improves constituent satisfaction



Reduces and prevents fraud



Machine-learning algorithms



Ensures industry regulation adherence



Facilitates real-time decision-making





# Delivering a Safe, Simple & Unified Payment Experience to Constituents

- Understand current payments inventory, product offerings, and payment players involved **across the enterprise**
- Determine **priorities for payment solutions** with a focus on data and analytics, fraud and security, and simple and safe constituent experiences
- **Engage key internal stakeholders** to develop an evaluation and plan for payments that supports the enterprise and all agencies, departments, and services involved
- Evaluate payment vendors and solutions that are specific to government and can **scale across levels to best serve all mission-critical areas**
- **Choose a strategic partner** that delivers a holistic approach to payments and can address every point of interaction within the payment lifecycle with security and innovation at the forefront



# Q&A

# Let's talk payments!

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