JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA

KEITH A. REGAN
COMPTROLLER
KA LUNA HO'OMALU HANA LAULĀ

CHRISTINE M. SAKUDA
CHIEF INFORMATION OFFICER
LUNA 'ENEHANA

DEPT. COMM. NO. 432

STATE OF HAWAI'I | *KA MOKU'ĀINA O HAWAI'I*
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES | *KA 'OIHANA LOIHELU A LAWELAWE LAULĀ*

OFFICE OF ENTERPRISE TECHNOLOGY SERVICES | *KE'ENA HO'OLANA 'ENEHANA*

P.O. BOX 119, HONOLULU, HAWAII 96810-0119

July 15, 2026

The Honorable Ronald D. Kouchi
President of the Senate
and Members of the Senate
Thirty-Third State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

The Honorable Nadine K. Nakamura
Speaker and Members of the
House of Representatives
Thirty-Third State Legislature
State Capitol, Room 431
Honolulu, Hawai'i 96813

Aloha Senate President Kouchi, Speaker Nakamura, and Members of the Legislature:

Pursuant to HRS section 27-43.6, which requires the Chief Information Officer to submit applicable independent verification and validation (IV&V) reports to the Legislature within 10 days of receiving the report, please find attached the report the Office of Enterprise Technology Services received for the State of Hawai'i, Department of Labor and Industrial Relations (DLIR) Hawai'i Unemployment Insurance Modernization (Hui Huaka'i) Project

In accordance with HRS section 93-16, this report may be viewed electronically at http://ets.hawaii.gov (see "Reports").

Sincerely,

Christine M. Sakuda
Chief Information Officer
State of Hawai'i

Attachments (2)

HUI Huaka'i Project

Department of Labor and Industrial Relations (DLIR)

IV&V Monthly Status Report **[Final]**

For Reporting Period: **[May]**

Draft Submitted: June 7, 2026

Final Submitted: June 17, 2026

PUBLIC CONSULTING GROUP

Solutions that Matter

Overview

- Executive Summary
- IV&V Findings and Recommendations
- Appendices
  - A – IV&V Criticality Ratings
  - B – IV&V Standard Inputs
  - C – IV&V Details



Executive Summary

Executive Summary

The HUI Huakaʻi Project is in an overall Yellow (medium-risk) status.

There are four (4) project areas in Red (high-risk) status, one (1) in Yellow (medium-risk) status.

During the May reporting period, no new findings were identified, and one (1) finding was retired.

In May, schedule pressure continued across the project, with Schedule Performance Index (SPI) metrics from late April indicating that all major workstreams remain behind plan and that Testing is progressing at a slower-than-expected pace. Testing completion continues to trail planned targets, SME defect rates remain elevated, and overall throughput is below the level needed to support committed timelines.

To mitigate schedule delays, the UI Solution Vendor initiated efforts to preserve the planned go-live timeline by submitting a mitigation plan to the Hawaii DLIR UI PMO. The current strategy centers on reducing Day 1 scope and deferring selected functionality to Year 1. Project leadership has approved proposed scope reductions of approximately 25 percent for both the Appeals and Benefits workstreams. A similar scope-reduction proposal for the Tax workstream has been submitted and is pending approval by executive leadership. Additionally, the UI Solution Vendor has plans to add an on-site project manager to support mitigation and project execution.

Testing governance improved modestly with the delivery of an updated Master Test Plan, but persistent gaps in testing health, quality reporting, and SME throughput continued to elevate overall program risk.

Governance challenges remain, including pending schedule change requests awaiting signature, the absence of a May schedule update, and revised dates being incorporated into the working schedule without corresponding baseline updates. As a result, the schedule may not fully reflect the current delivery outlook. These challenges are further influenced by ongoing quality concerns, such as limited Hawaii DLIR UI PMO Product Owner involvement, and key activities, such as the interface workstream testing, being managed outside the project's authoritative tools. Together, these conditions may limit end-to-end traceability and reduce confidence in reported progress.

Delivery continues to advance, with roughly 4 out of 5 user stories complete. Requirements gathering is at 93%, a 10% increase over the previous month. Data conversion is well into the loading process, and security work is meaningfully underway. Throughput is trending downward, and backlog growth has exceeded projections, putting development approximately 1.5 to 3 months behind plan. A sustained increase in velocity and greater testing stabilization will be required to preserve go-live viability.
.

There are six (6) open risks, three (3) open issues, and one (1) preliminary concern.



Executive Summary Dashboard

Overall Rating
As of May 31, 2026

M

The project is currently in a yellow status.

Project Budget

$22,579,584.96

$24,220,415.04

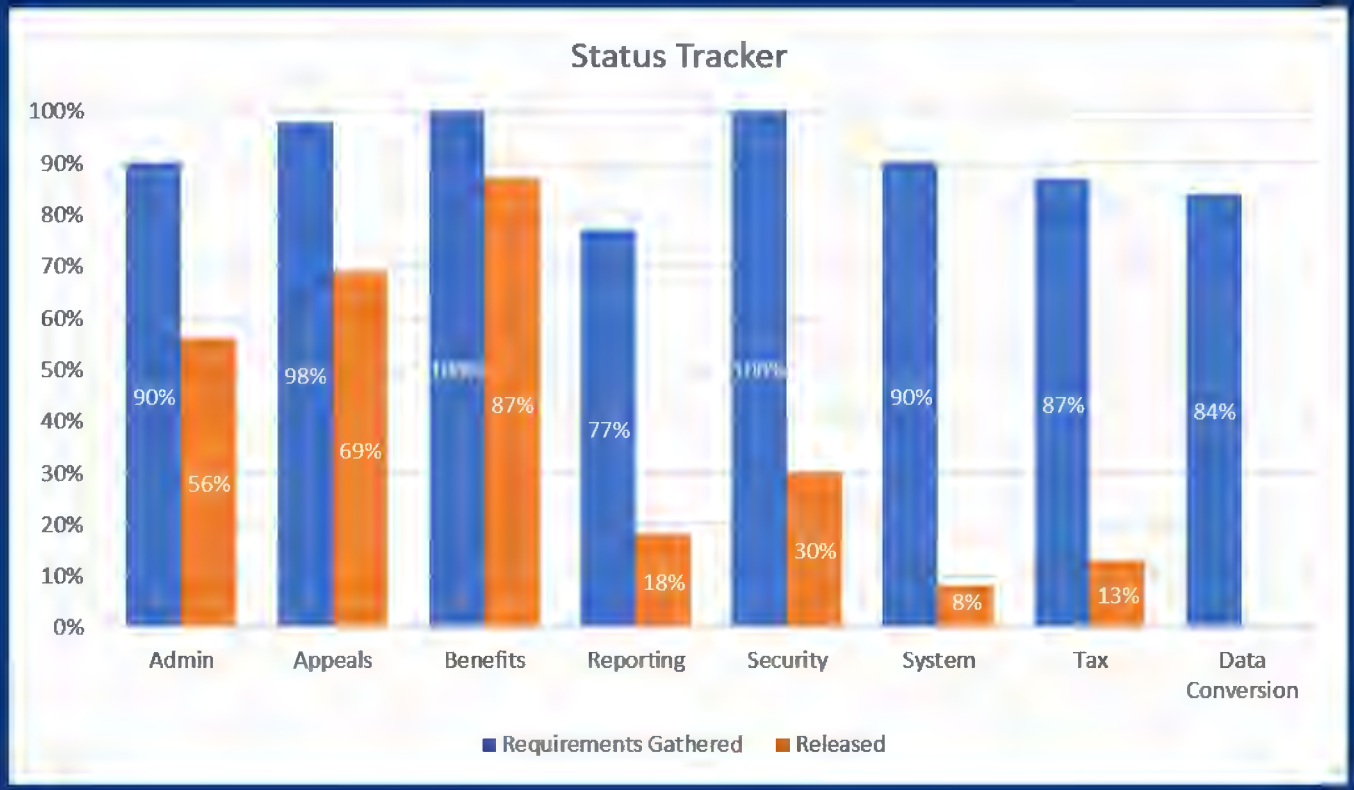
Expenditure Remaining

% OF THE RTM DEVELOPED AND RELEASED TO SANDBOX*

73%

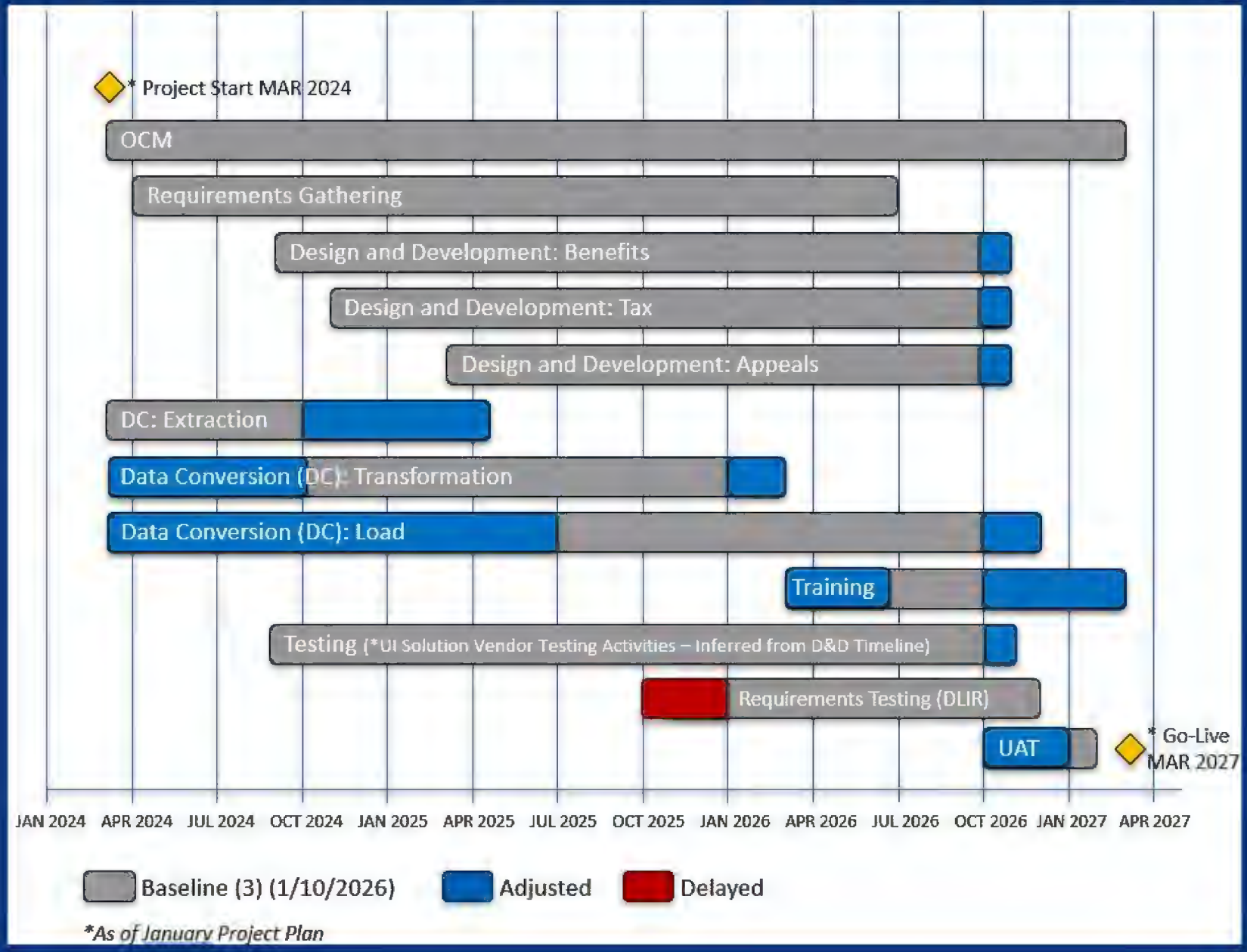
Total IV&V Findings 59
Open 10
Closed 49
Open Recommendations 42
Closed this Month 1
Opened this Month 0

* As reported through the Project Status Report. IV&V currently cannot independently verify the percent developed and released.

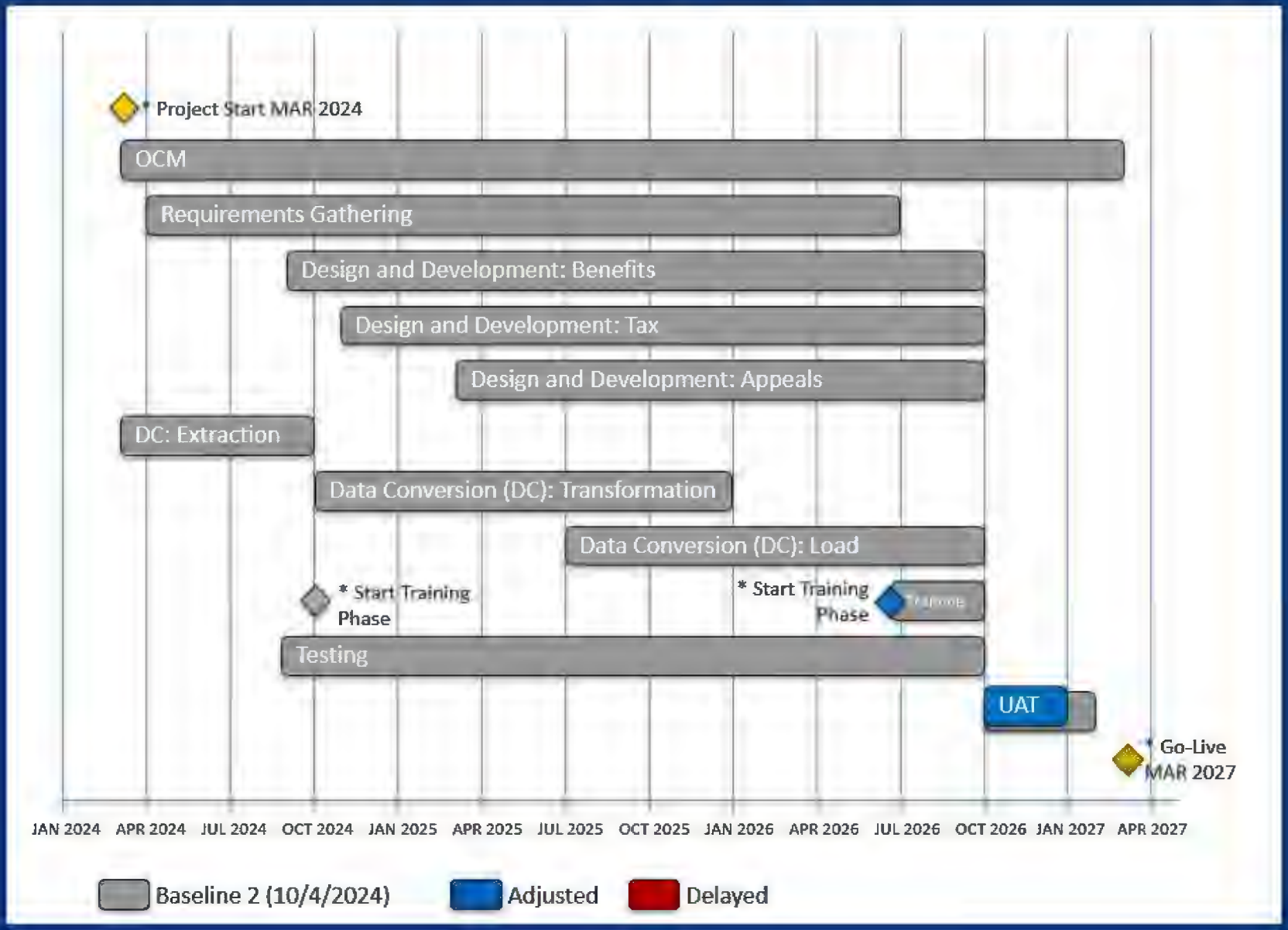


** Data Conversion % is reported as the overall progress, not requirements gathered.

Executive Summary Dashboard: Current Project Timeline



Executive Summary Dashboard: Project Timeline – Baseline 2 (10/4/2024)



Executive Summary

Mar	Apr	May	Category	IV&V Observations
M	M	H	Project Organization and Management	In May, the HUI Huaka'i Project continued schedule mitigation, requirements verification, testing, and development activities. Early in the month, the UI Solution Vendor introduced a mitigation strategy to preserve the planned go-live timeline by deferring a portion of Day 1 scope to Year 1. The approach has been approved in principle; however, it has not yet been formally documented through change control, and the project schedule has not been updated to reflect the revised scope assumptions. Under the plan, Day 1 scope for the Appeals and Benefits workstreams would each be reduced by approximately 25 percent, while proposed reductions to the Tax workstream remain under executive review. During the May reporting period, the mitigation plan was not further updated (an update was submitted in early June), and no formal analysis was completed to assess impacts to operational readiness. The plan does, however, include leadership review and signoff on development progress following each sprint to evaluate whether mitigation targets are being achieved and to enable timely corrective action if they are not. In March, the UI Solution Vendor submitted two change requests to update schedule baselines and delivery dates, but neither has been formally signed off through the change control process. Revised dates have been incorporated into the working schedule, yet baseline dates remain unchanged, leaving a schedule that no longer reflects the current delivery plan. Because no schedule update was provided for May, IV&V analysis is based on the April 27, 2026, version. Governance concerns also persist. Product Owner roles remain unchanged, and release notes continue to be managed solely by the UI Solution Vendor which is an arrangement that is inconsistent with leading practices for State ownership of business decisions and acceptance authority (Finding #77). This structure weakens delivery accountability and forces reliance on vendor-reported progress rather than on objective readiness measures. The Master Test Plan was delivered and reviewed, but it does not address previously identified gaps in testing health and quality metrics (Finding #61), notably the absence of defined indicators such as defect aging, failure and fix trends, automation coverage, and severity-based failure rates. Beyond the Test Plan itself, only limited progress has been observed in the UI Solution Vendor's testing transparency and automation visibility. Given these conditions, the Project Organization and Management category is elevated to Red (High-Risk) Status, reflecting the need for stronger schedule control, governance, and testing visibility.

Executive Summary

Mar	Apr	May	Category	IV&V Observations
H	H	H	Scope and Schedule Management	The most recently uploaded April 27, 2026, project schedule indicates that multiple project areas remain behind schedule. Requirements Gathering and Execution is reporting an SPI of 0.88, Design and Development an SPI of 0.86, Data Conversion an SPI of 0.86, and Testing an SPI of 0.23, indicating significant schedule risk, particularly in the testing phase. Two change requests related to schedule updates have been submitted but remain unsigned or approved by the Hawaii DLIR UI PMO. While formal signature approval is still pending, schedule updates continue to be incorporated without full alignment to change control processes, which may introduce potential governance and control considerations. User Story progress increased to 982 of 1,231 completed (Finding #45). The three-month average throughput decreased, while backlog growth exceeded projections. Updated IV&V forecasting indicates development completion is projected to be 1.6–2.9 months behind schedule, requiring a sustained target velocity of 61–73 to achieve timely completion. The model was updated to reflect both the greater than expected backlog growth and the project's scope reduction strategy. Preliminary concern (Finding #79) remains open due to persistent quality and governance issues within the project schedule that are independent of specific delivery dates. Deficiencies include inconsistent version control, invalid data, broken or missing baselines, and the use of zero-duration placeholders for actual work. These issues limit the schedule's effectiveness as a reliable management control tool. The IV&V team communicated these concerns to the project team in April. A go-live mitigation plan has been presented to the Hawaii DLIR UI PMO, which includes reducing Day 1 scope to improve the likelihood of meeting schedule targets and achieving timely project completion. The defined and documented reduced day 1 scope for Benefits and Appeals has been approved, and Tax has been delivered for approval. The Sprint Close Report is being prepared for approval, per the mitigation plan. No change impact analysis has been performed on the scope reduction or its effects on cost, risk, and resources. The project has indicated it plans to complete one. Due to schedule and execution concerns this project category remains in Red (High Risk).

Executive Summary

Mar	Apr	May	Category	IV&V Observations
L	M	M	Requirements Management	The RTM dashboard shows measurable progress, with user story coverage increasing to 93% (from 84%) and overall requirements completion reaching 73% (from 61%). However, the April 27, 2026, Hawaii Project Schedule indicates that all requirements' activities remain behind schedule. SPI results reflect uneven performance across workstreams—Benefits is near plan (0.98), while Appeals (0.93) and Tax (0.83) continue to lag. Appeals requirements gathering remains incomplete despite a planned finish of April 24, and Tax continues to experience the most significant delays, with completion projected for June 30, 2026. The project continued SME review sessions and testing of working software for Benefits, Tax, and Appeals. The IV&V team has closed (Finding #42) based on the documented project's acceptance of the risk and the project's continued reliance on requirements-level traceability for validation activities. Finding #71, which highlights gaps in requirements management and traceability within the interface workstream driven by the project's reliance on spreadsheet-based tracking, remains open. This condition persists, as work tracked in the spreadsheet is not consistently updated in ADO, weakening traceability, governance, and data integrity and introducing unnecessary risk.
L	L	L	Architecture and Design	During the May 2026 reporting period, the Appeals team continued to refine user stories and review test cases for core Appeals functionality. Recurring Appeals sessions and stakeholder discussions continued to support requirements refinement and development readiness. An issue identified regarding department access to file or manage appeals, with differing approaches between the UI Solution Vendor and the State has been resolved. Benefits/Tax and Appeals leadership have aligned on the approach and system access. Client Portal and Employer Portal making good progress in design and development and the design group continues to meet three times a week. There were multiple demonstrations, that went well, in May to show off the new designs and functionality.

Executive Summary

Mar	Apr	May	Category	IV&V Observations
H	H	H	Testing (Sprint, Unit, System, Integration, UAT)	Testing remains behind schedule, with the most recently uploaded 4/27 project schedule reporting 7% (prev. 8%) Actual completion, compared to the Planned % complete of 42%. The updated Master Test Plan v3.4 was delivered in early April, and IV&V completed and delivered its review this reporting period. While governance has improved, gaps in testing health and quality metrics persist (Finding #61), including the absence of defect aging, failure/fix trends, and automation reporting. No material improvement to consolidated dashboards or visibility has been observed, and this finding has been escalated to an Issue. (Finding #60) was closed this reporting period following delivery of Test Master Plan v3.4, which provides clearer guidance for defect logging, triage, prioritization, and retesting, improving consistency, traceability, and defect visibility. The Test Plan is being updated to adjust Bug Priority information. As of 5/29/2026, 166 of 1,150 requirements have been released to SME testing. Of these, 134 have a SME tester result, with a 36% failure rate (Finding #73). Throughput improved this period (~29/month), with increased SME Lead validation (127) and 93 requirements reaching Testing Complete. Despite improvement, completion rates remain well below required levels. Current throughput would extend completion beyond four years, with ~183 requirements per month needed to meet planned timelines. Finding #78 has been escalated to a Risk. Testable = False requirements decreased to 685; however, the lack of a defined acceptance approach continues to limit assurance of full validation prior to go-live.
L	L	L	Data Conversion Management	During the May 2026 reporting period, data conversion activities focused on validating converted data, resolving remaining discrepancies, and refining business rules governing data quality. Collaboration between the HI DLIR UI Team and the Data Cleansing Vendor continued through recurring working sessions, with Data Scorecards supporting targeted remediation efforts. Data quality remained high, with table-level scores ranging from 9.78 to 10. Transformation activities have been completed, and data loading is underway, currently at approximately 51%, contributing to an overall data conversion progress of approximately 85%.
L	L	L	Security	During the May 2026 reporting period, the project reported progress across multiple Data Station security work areas, including security architecture, network segmentation, access management, and federal exchange security readiness. Overall completion is estimated at approximately 24%, with several security validation, monitoring, and operational readiness activities not yet initiated. IV&V will continue to monitor progress, dependencies, and the execution of planned security activities as the project advances toward go-live readiness.

Executive Summary

Mar	Apr	May	Category	IV&V Observations
L	L	L	Training and Knowledge Transfer	During May 2026 reporting period, the End-User Training Plan was delivered to the IV&V team for review on May 20th. The IV&V team is currently reviewing the plan and will provide feedback in the next reporting period. The project schedule was not updated for May, however there is a placeholder that says Training and Knowledge Transfer is scheduled to start in July 2026. The recently approved End-User Training Plan contains "to-be-determined" dates for the training timeline. The IV&V team will continue to monitor the training and knowledge transfer activities and progress.
L	L	L	Interfaces	Integration meetings are occurring daily. The interface workstream continues to track work outside of ADO using spreadsheets, including an additional "Action Items Tracking" spreadsheet developed to manage interface-related activities. These action items range from meeting coordination to the development of high-level flow diagrams and completion of security analyses. As a result, the interface workstream is managing multiple tracking tools concurrently, including ADO, the interface matrix, and separate spreadsheets. The interface matrix identified 25 requirements as in progress; however, approximately 80% of these requirements have not been updated in ADO since March or April, and only two of the 25 in-progress requirements reflect ADO updates during May. Additionally, the interface matrix contains multiple hyperlink errors linking to incorrect requirements. This approach to interface management and tracking outside of ADO (Finding #71) continues to complicate the integration workstream rather than streamline execution. During this reporting period, the Data Station Integration Plan was delivered on May 20 for IV&V review and feedback that will be provided during the June reporting period. IV&V will continue to monitor interface progress and readiness.
M	M	H	Software Development	The project reports that 73% of RTM requirements have been released to QA (up from 61%). During this reporting period, 982 of 1,231 user stories have been completed (Finding #45). Three-month average throughput remained similar, trending down, while User Story growth increased beyond projections. Updated IV&V forecasting indicates development completion is projected to be 1.6–2.9 months behind schedule, requiring a sustained target velocity of 61–73 to achieve timely completion. The model was updated to reflect both the greater than expected backlog growth and the project's scope reduction strategy. Design and development remain behind schedule, with an SPI of 0.86. No changes were observed regarding Finding #75 where velocity measurements do not account for level of effort, using only counts. The UI Solution Vendor has agreed to a code freeze (Finding #76), but this decision has not been documented, or an associated go-live plan or dates have been developed or officialized. This category Has been moved to a High Risk/Red status due to increasing concerns of throughput and meeting scheduled development completion timelines.

Executive Summary

Mar	Apr	May	Category	IV&V Observations
			Human Resources and Staffing Management	During this reporting period, no new resources were added to the project. The on-site project manager is expected to start in June, but no updates have been provided as to the status of the new resource. The IV&V team will continue to monitor resource management activities.
			Risk and Issue Management	During this reporting period, the UI PMO conducted four (4) risk management meetings to review and update the RAID Log. On May 7, the IV&V team compiled a list of IV&V findings that have been previously accepted by UI PMO (see Appendix D) and shared the list with the state. Any accepted risks are expected to be added to the RAID Log and tracked by the project. The IV&V team will conduct an analysis to determine if this process is being followed. Additionally, the IV&V team is creating a risk profile to help track active and outstandings risks. This will be shared in the next reporting period. The IV&V team will continue to monitor risk and issue management activities.

*Additional details on finding impacts and significance can be found in the IV&V Findings and Recommendations section

Organizational Change Management

Organizational Change Management is **Green** with the following **Observations**:

The current OCM meetings are running smoothly without any issues. During the reporting period, the OCM Team held four (4) claimant portal demos, facilitated by the UI Solution Vendor, for HI DLIR staff. Stakeholder feedback and suggestions were gathered and analyzed during the weekly OCM meetings. Additionally, the OCM Team submitted the second Organizational Readiness Assessment on May 29, 2026 and identified areas for improvement to enhance overall staff acceptance and readiness. The OCM Team also began conversations for training and that is expected to start in July 2026. The IV&V team will continue to participate in and monitor OCM activities.

OCM Activities

The OCM Team's May's accomplishments included:

- Weekly OCM meetings were conducted to review progress and coordinate OCM activities.
- Claimant portal demos were held in person with UI staff. The purpose of the mandatory demos was to engage directly with staff, share progress, gather feedback, identify potential gaps, and ensure the portal meets stakeholder needs. Summary reports and notes were documented to track stakeholder feedback and suggestions.
    - Two (2) sessions were held on Oahu on Wednesday, May 6, 2026, at 9:00 AM and 1:00 PM HST.
    - One (1) session was held for the Maui office on Tuesday, May 12, 2026, at 10:00 AM HST.
    - One (1) session was held for the Kauai office on Thursday, May 14, 2026, at 10:00 AM HST.
- The second Organizational Readiness Assessment report was submitted on May 29, 2026, based on qualitative and quantitative results from a readiness survey administered following the Claimant Portal Demonstrations. The report documents staff's current readiness levels and identifies areas to address prior to the transition to Data Station.
- No intranet post was created for the month of May.

IV&V Findings and Recommendations

IV&V Findings and Recommendations

Findings Opened During the Reporting Period

#	Finding	Category

IV&V Findings and Recommendations

Findings Retired During the Reporting Period

#	Finding	Category
60	**Risk –** Inadequate Defect Management Processes and Ambiguity in Test Plan Guidance	Testing

IV&V Findings and Recommendations

H Project Organization and Management

#	Key Findings	Criticality Rating
61	Preliminary Concern – Lack of Testing Health and Quality Metrics **Initial Observations:** The Test Master Plan (TMP) outlines operational metrics in its "Reporting and Metrics" section (Table 29), including test coverage percentages, bugs pending triage, and requirements awaiting validation. These metrics are primarily designed to support day-to-day testing execution and do not provide insight into the overall health, progress, trends, or maturity of the testing phase. The plan omits key indicators such as defect aging, failure rates, severity distribution, actual vs. planned test execution, and test effectiveness trends. This gap limits stakeholders' ability to assess testing quality, identify systemic issues, and make informed decisions about readiness and risk. **Analysis:** As a result of insufficient testing of health and maturity metrics, the risk of under-informed decision-making is likely, leading to reduced visibility into testing effectiveness and project readiness.	NA

Recommendations	Status
IV&V recommends the following actions: 1) Expand the Reporting and Metrics section of the TMP to include indicators of testing health and maturity, such as defect aging, failure rates, severity distribution, and test execution trends. 2) Incorporate actual vs. planned progress metrics to assess schedule adherence and testing throughput. 3) Align the Test Master Plan with IEEE 29119 and IEEE 1061 standards, which emphasize metrics that track quality, predictability, and progress over time. 4) Develop dashboards or summary reports that provide these metrics for executive-level visibility.	Open

IV&V Findings and Recommendations

H Project Organization and Management

Update(s)

5/30/2026 -
The Test Master Plan v3.4 was delivered in April, and the IV&V review was completed this reporting period. The TMP was a material improvement and includes stronger governance structure, but the gaps in holistic testing healthy and quality reporting remain. The plan does not define health indicators such as defect aging, failure/fix trends, automation metrics, or failure rates by severity. Beyond the TMP, the IV&V team has not observed material changes to project reporting mechanisms or UI Solution Vendor automation/testing visibility. This is being escalated to an Issue.

4/30/2026 -
The test plan was delivered to the state, and state comments were returned early this reporting period. The plan has not been delivered for IV&V review or feedback. Reporting conditions remain the same.

3/25/2026 -
The updated Test Plan was expected to be delivered on 3/30/2026 but has not been delivered to the State for review and approval. While the State has expanded its own verification reporting to improve visibility into State-led testing activities, project-wide testing health and quality metrics remain inconsistent, including limited visibility into automated testing results and Selenium execution trends from the UI Solution Vendor. As a result, IV&V continues to lack consolidated insight into overall testing progress, quality, and defect trends across the project, including UI Solution Vendor testing activities. The IV&V team will continue to monitor this risk and assess testing health reporting in relation to the updated Master Test Plan when it is updated and delivered.

Updates continued on following slide.

IV&V Findings and Recommendations

Project Organization and Management

Update(s)

2/24/2026 –
The Test Master Plan remains unapproved and continues to lack a framework for reporting comprehensive testing health or quality metrics. While the project has added SME-focused ADO dashboards, these provide only point-in-time operational views (e.g., pass/fail status) and do not include defect aging, severity trends, planned vs. actual progress, or other indicators needed to assess testing quality or readiness.
Additionally, the IV&V team observed inconsistencies between SME requirement-level results and underlying test case outcomes, raising concerns about the accuracy and reliability of reported metrics. Vendor testing data also remains limited, and no standardized reporting exists that consolidates SME and vendor testing performance. As a result, the project continues to lack consistent, comprehensive testing health and quality metrics necessary for informed decision-making.

1/29/2026 –
The most recent version of the Test Master Plan remains unapproved, and it does not yet incorporate a robust, comprehensive framework for quality-oriented metrics and reporting. The project team has indicated that additional test reporting and metric capabilities are being developed, but an estimated completion timeline has not been communicated to IV&V.

12/26/2025 –
During the December 11 meeting with the UI Solution Vendor, the team confirmed that current ADO reporting focuses on operational metrics, such as pass/fail status and requirement-level coverage. While these metrics provide visibility into test execution, they do not address broader indicators of testing health or maturity. UI Solution Vendor acknowledged this gap and committed to developing dashboards that will include requirement coverage and automation statistics. They also plan to begin weekly reporting on coverage progress. However, metrics such as defect aging, failure rates, severity distribution, and actual vs. planned execution remain absent from the current reporting framework. No timeline was provided for implementing these additional metrics.
These observations reinforce the need to expand the Test Master Plan and reporting approach to include health and quality indicators that support executive-level decision-making.

IV&V Findings and Recommendations

Project Organization and Management

#	Key Findings	Criticality Rating
77	Issue – **Product Owner roles in project artifacts (e.g., Release Notes) are assigned to vendor personnel, which may not align with best practice for State governance of business decision-making and acceptance authority.** **Observations:** Project Release Notes identify Product Owner roles as being performed by solution provider (vendor) personnel. The Product Owner role in Agile delivery is responsible for backlog prioritization, defining business requirements, and accepting delivered functionality. Based on the artifacts reviewed, IV&V did not observe clear documentation that State personnel are designated as accountable Product Owners for business decision-making and acceptance, or that vendor personnel are formally acting in a defined proxy or support capacity. **Analysis:** In public-sector Agile programs like the DLIR UI program, the best practice is for Product Owner accountability to reside with the State (business owner) to ensure that business priorities, acceptance decisions, and value realization are aligned with agency objectives. Vendor personnel may support this function (e.g., as proxy Product Owners or Business Analysts), but should not hold ultimate decision-making or acceptance authority. Assignment of Product Owner roles to vendor personnel, without clear delineation of State accountability and vendor support roles, may result in: 1. Reduced clarity of governance and ownership for backlog prioritization and acceptance decisions 2. Potential misalignment between delivered functionality and business needs 3. Increased audit and oversight risk due to unclear accountability. 4. Challenges in maintaining appropriate separation of duties between delivery and acceptance functions. As a result, business ownership of delivered outcomes may not be clearly established.	Medium

IV&V Findings and Recommendations

Project Organization and Management

Recommendations	Status
IV&V recommends the following actions to strengthen governance and role clarity: 1. Establish State Product Owner accountability. Clearly designate State personnel as accountable Product Owners responsible for business prioritization, backlog management, and acceptance of delivered functionality. 2. Define and document vendor support roles. Clearly define vendor roles (e.g., proxy Product Owner, Business Analyst) to support backlog development and refinement, while ensuring that final decision-making authority remains with the State. 3. Align project artifacts with governance roles. Update Release Notes and related documentation to accurately reflect State Product Owners and clearly distinguish vendor support roles. 4. Define acceptance and sign-off responsibilities. Establish and document clear acceptance criteria and sign-off authority for user stories, features, and releases, including required State involvement. 5. Communicate and reinforce governance expectations. Ensure that all stakeholders (State, vendor, IV&V) have a shared understanding of Product Owner responsibilities, decision-making authority, and governance expectations.	Open

Update(s)
5/30/2026 - There have been no changes the product owner roles and State personnel are not included in the business prioritization, backlog management, and acceptance of delivered functionality.

IV&V Findings and Recommendations

Scope and Schedule Management

#	Key Findings	Criticality Rating
45	Risk – **Velocity and Backlog Growth Risks Schedule** Since August 2024, the project backlog has grown by over 600 net new stories, with limited progress on completion until early 2025. Although June 2025 showed a slowdown in new story creation, it is too early to confirm a stable trend. IV&V performed forecasting in June using both story points and story counts, revealing wide variance in projected completion timelines depending on backlog growth and delivery rate. Under the current throughput (27 stories/month), the project could meet its October 2026 development deadline if no additional scope is added. However, continued backlog growth—even at reduced levels—would significantly extend the timeline. These findings highlight the need to control scope intake and improve throughput to ensure timely delivery. As a result of sustained backlog growth and reliance on variable throughput, future delivery timelines may extend beyond the scheduled end date, increasing costs and risk exposure. Forecasting models indicate that if the backlog continues to grow—even modestly—project completion could be significantly delayed unless corrective actions are taken to improve development throughput or limit scope expansion. Continued on the next slide.	High

IV&V Findings and Recommendations

Scope and Schedule Management

Recommendations	Status
IV&V Recommends: - Stabilize backlog intake through more rigorous scope control and change management processes. - Regularly monitor and report on net new stories added per month to identify scope growth early. - Evaluate opportunities to increase throughput by analyzing bottlenecks and process inefficiencies. - Prioritize backlog grooming to eliminate unnecessary or duplicate stories. - Adopt a shared forecasting model and regularly update it based on story points and count velocity. - Increase transparency into backlog refinement decisions to ensure alignment with RTM and project goals.	Open

Update(s)
Found on next slide.

IV&V Findings and Recommendations

H Scope and Schedule Management

Update(s)

5/29/2026 -
As of May 29, 982 of 1231 user stories have been completed. The project team continues to review the backlog to ensure RTM Priority values accurately identify requirements targeted for day 1 Go Live. The IV&V team updated its forecasting model to reflect this defined scope reduction strategy of Go-Live work, which explains the reduction in total User Stories and forecast models. In May, 56 user stories were added to the Go-Live backlog, which significantly exceeded the modeled backlog decay trend. As a result, the risk model was updated to accommodate the greater than expected backlog growth trend. This finding is being escalated to an Issue.

Based on the updated models:
Baseline: Realistic decay model - project completes development 1.6 months behind the scheduled development completion. Target velocity needed = 61
Conservative/Risk: Flat growth or lagged decay - project completes development 2.9 months behind the scheduled development completion. Target velocity needed = 73

4/30/2026 -
As of April 28, 1009 of 1407 user stories have been completed. IV&V team models have been adjusted to account for more than expected user story growth and the decay rate has been adjusted to reflect potential forecasted growth.

During this period, 3-month average User Story completion remained similar around 56 user stories, and User Story Growth increased above what was projected.

Based on the IV&V team's forecasting models:
Baseline: Realistic decay model - project completes development 1.8 months behind the scheduled development completion. Target velocity needed = 72
Conservative/Risk: Flat growth or lagged decay - project completes development 2 months behind the scheduled development completion. Target velocity needed = 75

Updates continue on following slide

IV&V Findings and Recommendations

Scope and Schedule Management

Update(s)

3/31/2026 -
As of March, 968 of 1388 user stories have been completed.

During this period, 3-month average User Story completion remained the same, and User Story Growth increased above what was projected.

Based on the IV&V team's forecasting models:
Baseline: Realistic decay model - project completes development 1.1 months behind the scheduled development completion. Target velocity needed = 64
Conservative/Risk: Flat growth or lagged decay - project completes development 1.3 months behind the scheduled development completion. Target velocity needed = 65

2/25/2026 -
As of February, 916 of 1356 user stories have been completed.

During this period, the 3-month average User Story completion decreased, while User Story Growth exceeded projections.

Based on the IV&V team's forecasting models (updated to reflect the most recent schedule, with the Development completion date pushed to 10/31/2026, from 10/9/2026):
Baseline: Realistic decay model - project completes development 0.4 months ahead the scheduled development completion. Target velocity needed = 59
Conservative/Risk: Flat growth or lagged decay - project completes development 0.2 months behind the scheduled development completion. Target velocity needed = 61

Updates continue on following slide

IV&V Findings and Recommendations

H Scope and Schedule Management

Update(s)

1/26/2026 -
As of January, 871 of 1326 user stories have been completed.

During this period, the IV&V team refined the forecasting model to incorporate a more accurate treatment of backlog growth over time. The updated approach is more dynamic and improves the forecasting model. Revised projections show a more optimistic outlook for development throughput and timely development completion for all scenarios. Even so, throughput trends month-to-month are inconsistent, and the team will continue to monitor the stability of these forecasts. The IV&V team is applying this refined logic to previous internal projections to compare and analyze trends. As the project approaches its deadlines, the model will become more accurate and reliable.

Baseline: Realistic decay model - project completes development 1 month ahead of the scheduled development completion. Target velocity needed = 63

Conservative/Risk: Flat growth or lagged decay - project completes development 0.7 months ahead of the scheduled development completion. Target velocity needed = 66

12/29/2025 -
As of December, 780 of 1313 user stories have been completed. Throughput has decreased for the month of December, with 18 stories being completed, compared to 70 in the previous month. This is most likely due to holidays and team absences.

Baseline: Realistic decay model - project completes development 0.7 months behind schedule. Target velocity needed = 101

Conservative/Risk: Flat growth or lagged decay - project completes 1.4 months behind schedule. Target velocity needed = 108

Updates continue on following slide

IV&V Findings and Recommendations

H Scope and Schedule Management

Update(s)

11/30/2025 –
As of November, 762 of 1335 user stories have been completed. Throughput targets based on the 3-month moving average have been trending up, which is supporting more ideal metrics of timely delivery.

Baseline: Realistic decay model - project completes development 0.4 months behind schedule. Target velocity needed = 90

Conservative/Risk: Flat growth or lagged decay - project completes 1 month behind schedule. Target velocity needed = 102

10/30/2025 –
- As of October, 638 of 1351 user stories have been completed. Schedule variance has slipped further with the most recent analysis.
- 3-month velocity has trended slightly up, yet still falls short of velocity targets needed to support timely delivery:

Baseline: Realistic decay model - project completes development 0.7 months behind schedule. Target velocity needed = 94

Conservative/Risk: Flat growth or lagged decay - project completes 2.2 months behind schedule. Target velocity needed = 105

9/29/2025 –

- As of September, 588 of 1284 user stories have been completed.
- 3-month velocity has trended up, which has positively impacted the projections and forecasts as follows:

Baseline: Realistic decay model - project completes development 0.1 months behind schedule. Target velocity needed = 84.67

Conservative/Risk: Flat growth or lagged decay - project completes 1.6 months behind schedule. Target velocity needed = 95.50

IV&V Findings and Recommendations

H Scope and Schedule Management

Update(s)

8/26/2025 -

- As of August 2025, 476 of 1,251 user stories have been completed. The project's recent decision to link all backlog items to the RTM has significantly changed the backlog landscape and historical metrics, increasing visibility and improving traceability. IV&V supports this shift, as it addresses prior concerns about unlinked work.

- Forecasting has been enhanced and matured to include an exponential decay model to reflect more realistic backlog growth over time and create more accurate and nonlinear projections and forecasts. IV&V has also added velocity targets for each scenario.

- The three scenario-based projections, rooted in the exponential decay model:
Baseline: Realistic decay model - project completes development 2.0 months behind schedule

Optimistic: No new growth - project completes development 2.4 months ahead of schedule

Conservative/Risk: Flat growth or lagged decay - project completes 3.8 months behind schedule

7/28/2025 -
- As of July 2025, the project has completed 362 of 955 user stories, leaving 593 stories remaining in the backlog.

- Backlog growth has slowed, and throughput has increased, showing a positive trend of throughput and backlog decline.

- Using a 6-month average forecast, if no new stories are added, and current 6-month average throughput is maintained, the project will finish on time with the scheduled planned development end date. The Moderate scenario within that same forecast shows that maintaining the same throughput will surpass the end date by approximately 2 months. 3-month average and historical averages are being monitored as well.

IV&V Findings and Recommendations

Requirements Management

#	Key Findings	Criticality Rating
42	**Risk**– Missing Requirement and Test Case Traceability for Some User Stories and Features For some User Stories that have been developed, IV&V observed no corresponding test case to verify that the requirements were correctly built and work as intended. For example, Task 54144 is a child of User Story 46942 (Decision Template page). However, there is no test case associated with either the User Story or its parent Feature 46771. Additionally, there is no linked requirement associated with the Feature or the User Story (i.e., no parent requirement for the User Story, and no child requirement for the Feature). Requirements Traceability Matrix (RTM) typically tracks two main components for each requirement: 1. Development/Build (designing and implementing the requirement) 2. Testing/Validation (verifying that the requirement is correctly built and works as intended). Simply, Requirement → How it is implemented → How it is tested The RTM's purpose is: 1. Ensure every requirement is accounted for in the system build. 2. Ensure every requirement is tested (validation coverage). 3. Show clear traceability both forward (Requirement ➔ Test Case) and backward (Test Case ➔ Requirement).	Medium

Recommendations	Status
IV&V recommends ensuring end-to-end traceability by fully tracing Features, User Stories, and related development tasks to corresponding requirements and associated test cases within the RTM. In addition, IV&V recommends explicitly linking test cases to the corresponding User Stories and Features in Azure DevOps (ADO) to help ensure that all implemented functionality is adequately validated during testing and aligned with stakeholder requirements.	Open

IV&V Findings and Recommendations

Requirements Management

Update(s)

5/30/2026 –
During this reporting period the project continued with testing activities, and IV&V continues to observe traceability issues with test cases not linked to user stories.

4/30/2026 -
During this reporting period, the project continued SME review sessions and testing activities across the Benefits and Appeals functional areas, with ongoing refinement of test scenarios and validation of requirements.

IV&V continues to observe opportunities to strengthen session planning, SME guidance related to defect management, clarity of testing expectations, adherence to defined processes, and communication regarding requirements readiness for testing.

Building on prior observations, IV&V notes that the presence of test cases in "Design" or "In Progress" status associated with user stories included in releases is not isolated to specific instances but reflects a broader pattern. Currently, there are at least 20 test cases in "Design" status, including test cases that have failed or been returned for re-testing. Project stakeholders have begun using queries to identify and track these occurrences; however, the condition persists across multiple areas.

Given the current ADO structure, where test cases are linked to requirements but not directly to User Stories, IV&V remains unable to consistently confirm that all user stories included in releases have been fully validated prior to QA designation and will continue to monitor traceability and validation coverage under Finding #42.

3/31/2026 -
During this reporting period, the project continued to conduct multiple SME review sessions and testing of working software across the Benefits and Appeals functional areas. SMEs continued to review and refine test scenarios and actively test requirements.

While these sessions reflect ongoing execution of the established testing and demonstration approach and provide structured opportunities for early stakeholder review and feedback, IV&V continues to observe opportunities to strengthen session planning, SME guidance and training related to defect management, clarity of testing expectations, adherence to defined processes by the

IV&V Findings and Recommendations

Requirements Management

Update(s)

solution provider, and communication regarding requirements readiness for testing.

Section 8 of the Requirements Management Plan v1.1 states: "All in-scope features are reviewed and tested by the UI SMEs. A Requirements Traceability Matrix will show how each High-Level Requirement is tested at the feature and user story levels." While this statement is positioned in the context of User Acceptance Testing (UAT), IV&V notes that this expectation would be applicable across testing phases.

Additionally, the Sprint 39 and 40 Application Release Notes indicates that Appeals User Story 43451 was delivered to QA. User Story 43451 traces to Requirement 47607 ("A2.03.13.S System shall allow hearing officer schedule management"). However, the associated test suite (62413) under Requirement 47607 remains in "In Progress" status, as reflected in Azure DevOps. Given the current ADO structure, in which test cases are linked to requirements but not directly to User Stories, IV&V is unable to independently confirm that User Story 43451 has been fully tested prior to QA designation.

2/28/2026 -
During this reporting period, the project conducted multiple SME review sessions and testing of working software across the Benefits and Appeals functional areas. For both areas, SMEs reviewed and refined test scenarios and actively tested requirements.

While these sessions reflect continued execution of the established testing and demonstration approach and provide structured opportunities for early stakeholder review and feedback, IV&V observes opportunities to strengthen session planning, SME guidance and training related to defect management, clarity of testing expectations, adherence to defined processes by the solution provider, and communication regarding requirements readiness for testing. Additionally, Sprint 38 Release Notes indicate that Appeals User Story 34950 was delivered to QA. User Story 34950 traces to Requirement 47597 ("A2.02.01.S System shall allow entry of paper appeal filings"). However, associated test cases under Requirement 47597 remain in "Design" status, as reflected in Azure DevOps and the Appeals Leadership Dashboard. Given the current ADO structure, in which test cases are linked to requirements but not directly to User Stories, IV&V is unable to independently confirm that User Story 34950

IV&V Findings and Recommendations

Requirements Management

Update(s)

has been fully tested prior to QA designation.

1/31/2026 -
During this reporting period, the project conducted multiple SME review sessions and demonstrations of working software across both the Benefits and Appeals functional areas. For Appeals, SMEs reviewed and refined test scenarios mapped 1:1 to RTM requirements, including scenarios for paper appeal filing, timeliness management, staff-filed and department-filed appeals, appeal modification and cancellation, section of law management, and decision template processing.

The project also demonstrated claimant and employer portal Appeals functionality and continued to define a structured test case development approach, including requirement-level traceability within the RTM, SME approval workflows, and automation planning for regression testing. These activities represent continued implementation of the defined review, validation, and traceability process and provide early evidence of requirement-to-test coverage and stakeholder validation.

In parallel, Finance activities focused on reviewing accounting test cases, updating completed RTM requirements, transitioning RTM work items to appropriate workflow states, and preparing test scenario coverage, representing early-stage progress toward applying the same traceability and validation approach to Finance.
In Sprint 37, User Story 56692 is marked as “Closed” and traces to six (6) requirements. IV&V observed that one of these requirements (Requirement 56693) does not have an associated test suite or test case.

IV&V will continue to monitor implementation of the testing process, including end-to-end traceability between requirements, User Stories, and associated test cases within the RTM and Azure DevOps (ADO), and will assess whether story-level linkage, SME validation, and automation coverage are consistently achieved across functional areas.

IV&V Findings and Recommendations

Requirements Management

Update(s)

12/31/2025 -
The project has defined and begun implementing a new, systematic testing process with the following key elements:
a) Requirements Traceability
All tests will be explicitly linked to the Requirements Traceability Matrix (RTM) to ensure full coverage, establish clear go/no-go criteria at the requirement level, and enable efficient SME engagement.

b) SME Review and Execution Model
Subject Matter Experts (SMEs) will review test scenarios for completeness and execute tests using standardized, two-part scripts consisting of:
- A high-level summary providing business and functional context, and
- Detailed, step-by-step instructions for execution.

c) Test Automation Approach
Testing will be automated using two (2) tools:
- TestSuite for complex data setup activities (e.g., wage seeding), and
- Selenium for user interface interactions that simulate end-user actions (e.g., navigation and data entry).

Regular SME review meetings are scheduled to begin the week of January 5, 2026, starting with an introductory session. Meeting agendas will be distributed in advance to support resource planning.

Under the project's current testing approach, test scenarios and cases are primarily linked to requirements but are not consistently linked to the associated User Stories or Features in Azure DevOps (ADO). While requirement-level traceability supports validation of business intent, the absence of explicit linkage between test cases and User Stories would limit visibility into whether all implemented stories are directly validated through testing. Addressing this linkage would further strengthen end-to-end traceability across requirements, User Stories, and test cases.

IV&V Findings and Recommendations

Requirements Management

Update(s)

IV&V will monitor implementation of this process and provide ongoing feedback.

11/30/2025 -
Test case traceability issues have still not been resolved. This lack of traceability sustains the risk that this functionality may not be adequately validated during testing, potentially leading to the functionality not meeting stakeholder requirements.

10/31/2025 -
There are still missing requirements and test case traceability issues.

08/31/2025 -
While the discussion commentary in the User Story (46942) in ADO suggests that it has been tested, both the user story and its parent feature (46771) still lack associated test cases. This continuing gap indicates that the traceability issue remains unaddressed, sustaining the risk that this functionality may not be adequately validated during testing, potentially leading to the functionality not meeting stakeholder requirements.

7/31/2025 -
There has been no change since last month regarding traceability in Azure DevOps (ADO). Task 54144 remains a child of User Story 46942 (Decision Template page), and neither the User Story nor its parent Feature 46771 has an associated test case. This ongoing gap indicates that the traceability issue first identified in May and reiterated in June remains unaddressed, sustaining the risk that this functionality may not be adequately validated during testing.

IV&V Findings and Recommendations

Requirements Management

Update(s)
6/30/2025 - There continues to be a lack of full traceability between some Features, User Stories, and corresponding test cases in Azure DevOps (ADO). As of this month, Task 54144 remains a child of User Story 46942 (Decision Template page), but no test case has been associated with either the User Story or its parent Feature 46771. This indicates that the traceability gap identified last month has not yet been addressed, increasing the risk that functionality may not be adequately validated during testing. **5/31/2025** - Not all Features, User Stories, and related development tasks are fully traced to associated test cases in ADO, for example, Task 54144 is a child of User Story 46942 (Decision Template page). However, there is no test case associated with either the User Story or its parent Feature 46771.

IV&V Findings and Recommendations

Software Development

#	Key Findings	Criticality Rating
75	**Issue** – User Story Count-Based Velocity Does Not Reliably Reflect Sprint Throughput **Initial Observations:** • Sprint velocity is currently measured using user story counts, which does not provide a reliable measure of sprint throughput or delivery effort. User stories are not consistently estimated using story points or another effort-based estimation method. As a result, all user stories are treated equally in velocity calculations, regardless of differences in size, complexity, or effort. **Analysis:** • User stories vary in complexity and effort; therefore, using story counts as a proxy for velocity does not accurately represent actual sprint throughput or productivity. Larger or more complex user stories may require significantly more effort than smaller ones yet are counted equally in reported metrics. • As a result, reported velocity may not provide a dependable basis for assessing delivery performance, comparing sprint outcomes, or informing planning and forecasting activities. This may reduce visibility into workload variability and limit the effectiveness of performance monitoring and decision-making.	Medium

Recommendations	Status
The IV&V team recommends: • IV&V recommends adopting an effort-based estimation approach, such as user story points, or implementing an alternative method to normalize effort across user stories (e.g., size categorization or weighted metrics) to more accurately reflect delivery effort and capacity and improve the accuracy of velocity measurement and forecasting.	Open

IV&V Findings and Recommendations

Software Development

Recommendations	Status
This would help ensure that velocity metrics more accurately reflect delivery effort and support more reliable planning, forecasting, and performance assessment.	Open

Update(s)
N/A

IV&V Findings and Recommendations

Software Development

#	Key Findings	Criticality Rating
76	**Preliminary Concern** – No Soft or Hard Code Freeze Indicated in Project Schedule or Documentation **Initial Observations:** • IV&V review of the project schedule and available planning documentation did not identify a defined soft or hard code freeze milestone prior to go-live. The absence of a documented code freeze creates a potential gap in release and deployment planning, particularly during the critical period leading up to go-live. Without an established point at which code changes are restricted or tightly controlled, development efforts may continue in parallel with stabilization, testing, and cutover preparation activities. • IV&V reviewed the Project Schedule, Implementation Strategy, and Project Management Plan and did not identify references to a defined code freeze or equivalent control mechanism. These documents do not describe a governance strategy, stabilization period, or enforcement controls intended to restrict code changes in advance of go-live. • A code freeze is a commonly used control to promote system stability, support focused defect resolution, and ensure alignment between finalized code, test results, and deployment artifacts. The lack of a planned code freeze increases the likelihood of late or uncoordinated changes to the codebase, reducing confidence in system readiness and increasing reliance on last-minute fixes or workarounds. **Analysis:** • As a result of the absence of a documented soft or hard code freeze prior to go-live, unapproved or unforeseen changes are likely, resulting in reduced system stability, increased rework during readiness activities, and potential delays to go-live.	N/A

IV&V Findings and Recommendations

Software Development

Recommendations	Status
The IV&V team recommends: • Establish and document both a soft code freeze and a hard code freeze milestone in the integrated project schedule and relevant planning artifacts. • Define and communicate clear entry and exit criteria for each code freeze, including allowable exceptions and approval authorities. • Align code freeze milestones with testing completion, defect remediation, cutover rehearsal, and deployment readiness activities. • Reinforce milestone adherence through change control and release management processes to limit late-stage changes and support system stabilization prior to go-live.of validation activities, including documentation of outcomes and corrective actions.	Open

Update(s)

5/30/2026 -
This decision has not yet been documented, nor have the associated go-live plan or dates been officially finalized. The state is working on the documentation and additions to the schedule. This is being escalated to a Risk.

4/30/2026 -

The UI Solution Vendor has agreed to a code freeze, but this decision has not been documented, or an associated go-live plan or dates have been developed or officialized. The IV&V team will continue to monitor.

IV&V Findings and Recommendations

Testing

#	Key Findings	Criticality Rating
60	**Risk** – Inadequate Defect Management Processes and Ambiguity in Test Plan Guidance Observations: The IV&V team has observed that seven SME Requirements tests have remained in a failed state for over two months without any linked bugs logged in Azure DevOps (ADO). One of these test cases has a bug linked to the requirement it is linked to, but it is unclear where the bug originated and whether it's related to the test case failure (logged a month after the most recent test case failure). No retesting has occurred, and no updates have been made to related metrics since 9/23/2025. This is symptomatic of broader issues in defect management practices. The Test Master Plan outlines general expectations for bug logging and triage, but does not explicitly require that all failed test cases result in bug creation. This lack of specificity contributes to inconsistent tracking, delayed resolution, and reduced visibility into testing progress and system quality. Analysis: Due to ambiguous defect-tracking guidance and inconsistent bug-logging practices, a recurrence of untracked test failures is likely, leading to reduced traceability, delayed issue resolution, and diminished confidence in testing outcomes.	Medium

Recommendations	Status
IV&V recommends the following actions: 1) Update the Test Master Plan to explicitly state if all failed test cases, especially SME Requirements tests, should be logged as bugs in ADO if it is a valid failure. 2) Establish reporting mechanisms that report defect aging, failure rates, and retest status to stakeholders on a recurring basis. 3) Review the 7 failed test cases and if bugs need to be logged or linked to them for resolution.	**Closed 5/29/2026**

IV&V Findings and Recommendations

H Testing

Update(s)

5/30/2026 -
This finding is being closed this reporting period following delivery of Test Master Plan v3.4, which provides clearer and more detailed guidance for defect logging, triage, prioritization, and retesting. The IV&V team has received sufficient evidence demonstrating established triage practices, including prioritization criteria and defined fix and retest cycles with state involvement. These updates reduce ambiguity in defect management expectations and improve consistency, traceability, and visibility into defect resolution activities.

4/30/2026 -
The TMP v3.3 was delivered in early April, and State comments were returned for UI Solution vendor updates. The plan was sent to IV&V for feedback and review on May 1, 2026.

3/31/2026 –
The Test Plan was expected to be delivered to the State on 03/30/2026; however, it has not yet been provided and remains unavailable for review or approval. As a result, IV&V has not been able to assess whether defect management roles, workflows, and expectations are clearly defined.
Defect triage and bug management practices have been described to IV&V at a high level; however, these practices have not yet been substantiated through approved documentation or consistently observable artifacts. IV&V will continue to monitor this risk and validate reported practices once the Test Plan is delivered and available for review.

2/28/2026 –
The most recent version of the Test Master Plan remains unapproved, and defect lifecycle processes continue to lack definition and documentation. While the project created a bug-triage guide to support SME validation efforts, the guidance is limited to meeting-level expectations and does not define a defect lifecycle, triage workflow, handoffs, retest criteria, or tester competencies.
The IV&V team also noted inconsistencies in SME validation where the requirement-level pass/fail field did not align with underlying ADO test case results (e.g., Requirement 28283 – Fail Result on Requirement, recent pass result on test case. #31090 has no SME Tester Result but Passed run in a linked Test), creating uncertainty regarding whether retesting occurred or whether field values were not updated.

Continued updates on next slide.

IV&V Findings and Recommendations

H Testing

Update(s)

1/29/2026 –
The most recent version of the test plan remains unapproved, and the defect management lifecycle, procedures, and documentation are not yet fully defined or documented.

12/26/2025 –
A meeting during this reporting period was held to discuss ADO test coverage and answer IV&V questions. Prior to this meeting, it was acknowledged that SME requirements testing only occurred for a short trial period, and the failures logged during that time were invalid. This has been cleaned up in an ongoing effort to refine their testing approach. During this meeting, the UI solution vendor clarified:
- Bugs will be linked to Requirements, not test cases.
- The test runner in ADO supports logging bugs during test execution, but there is no enforced process ensuring linkage to failed test cases
- Internal (UI Solution vendor testing) at the story level is not maintained in ADO; only RTM level test scenarios will be tracked.
- The UI Solution vendor acknowledged that it would take approximately two months to catch up with test coverage and linking of existing requirements ready for SME testing.

The Test Master plan has not been updated to reflect the testing and defect management processes discussed.

IV&V Findings and Recommendations

H Testing

#	Key Findings	Criticality Rating
73	**Risk** – Insufficient SME Requirements Testing Throughput Observations: As of 02/28/2026, the project has released 63 of 1,506 requirements for SME testing. Only 53 of these have an SME Tester Result, 25 have passed, and 0% have completed SME Lead verification or reached a "Testing Complete Date." No requirement has completed the full acceptance workflow. SME Tester throughput over the last two months shows 53 requirements tested (~26.5 per month). At this pace, testing all 1,506 requirements once would take approximately 56.7 months, while only ~8.9 months remain before the 11/30/2026 testing completion milestone. This estimate does not include retesting for failures, which currently occur at about a 53% requirement-level fail rate. Defect retesting throughput also appears constrained: 51 bugs are in "retest" status, which exceeds the number of open defects (48), and a sample indicates substantial aging in retest (e.g., ~30 days with no movement for some items). Slow retest turnaround further delays acceptance of requirements. At the current pace, not only will requirements testing surpass the 11/30/2026 milestone, but projections indicate it will also extend past the 3/12/2027 go-live date, threatening overall project completion, as system acceptance depends on requirements acceptance and validation. Analysis: As a result of insufficient SME requirements testing throughput and no requirements progressing to full acceptance, a failure to complete requirements validation by 11/30/2026 is likely, resulting in schedule compression, increased rework, reduced readiness for subsequent test phases, and potential jeopardy to the 3/12/2027 go-live date.	High

IV&V Findings and Recommendations

Testing

Recommendations	Status
The IV&V team recommends: 1) Establish a throughput plan defining required weekly and monthly volumes for SME testing, SME Lead verification, and Testing Complete progression to meet the 11/30/2026 milestone. 2) Increase SME and SME Lead capacity and streamline workflow handoffs to accelerate requirement acceptance. 3) Monitor and report aging across the SME Tester Result, SME Lead Result, and Testing Complete fields to identify bottlenecks. 4) Implement targets/SLAs and monitor for defect retest cycle time to reduce backlog aging and unblock requirement acceptance. 5) Prioritize the release and validation of requirements in a sequence that enables measurable, achievable increases in throughput.	Open

Update(s)
Updates found on following slide.

IV&V Findings and Recommendations

H Testing

Update(s)

5/29/2026-
As of 5/29/2026, 166 of 1150 Requirements have been released to SME testing (excluding anything not marked for Go-Live). 134 Requirements have a SME tester result, with 62 passing and 24 blocked. This is currently a 36% failure rate. An additional 53 requirements were tested by SMEs this reporting period, for an average monthly throughput of ~29 requirements, trending up.
127 requirements have a SME lead result, which is a substantial growth (38 Failed, 3 Returned, 36 Blocked, and 50 SME Test Case Verified). 93 requirements have a testing complete date populated, indicating positive progress in supporting a more reliable forecast of throughput.

Current completion data shows an average of 12.5 Requirements Completed per month, using the two most recent months, the average is 22. Based on this linear trend, it would take nearly 4.2 years to complete. The project will need to verify 183 requirements per month to finish timely, a~ 700% increase.

4/30/2026 –
As of 4/27/2026, 91 of 1,506 requirements have been released to SME testing. 81 requirements have a SME tester result, with 41 passing. This is currently a 50% fail rate. An additional 12 requirements were tested by SMEs this reporting period, for an average monthly throughput of ~20 requirements, trending down.
24 requirements have a SME lead result (8 Failed, 3 Returned, and 13 SME Test Case Verified). No Requirements have a Testing Complete date populated.

Due to the lack of completion data, the IV&V team cannot reliably forecast a scheduled completion timeline. Based on the current SME testing throughput, it would greatly exceed the planned timelines without a material increase.

Updates continued on next slide…

IV&V Findings and Recommendations

H Testing

Update(s)

3/31/2026 –
As of 03/31/2026, 73 of 1,506 requirements have been released to SME testing. 69 requirements have a SME Tester Result, with 36 passing. Across three months, SME tester throughput averages approximately 23 requirements per month, with only 16 additional requirements progressing this period.
Limited downstream movement was observed: 14 requirements now have an SME Lead Result (6 Failed, 7 SME Test Case Verified, 1 Returned); however, 0 requirements have reached Testing Complete, and none have completed the full acceptance workflow. 35 defects remain in Retest, including 7 that have been inactive for over 3 weeks. No throughput plans, capacity adjustments, or acceptance targets have been communicated to the IV&V team.

At the current average throughput of approximately 23 requirements per month, IV&V observes that requirements validation would exceed the planned testing completion milestone absent a material increase in capacity or throughput. This is being escalated from a concern to a risk.

IV&V Findings and Recommendations

H Testing

#	Key Findings	Criticality Rating
78	**Risk** – Undefined Acceptance Method for Requirements Marked Testable = False **Observations**: The project or documentation has not documented or approved the meaning of the testable=false designation for Requirement items. There is no documented approach for how these requirements will be validated, evidenced, or accepted. Explanations from project stakeholders to the IV&V team have been contradictory, suggesting either that requirements are "not yet available for state testing" or "not testable by the state". An analysis on 4/27/2026 identified 711 of the approximately 1500 requirements in the RTM are currently marked as testable = false. That population includes a large portion of Configuration and Customization requirements across multiple areas, including DevOps, Reporting, Security, Benefits, and Tax. Because the project has not documented the validation and acceptance method for this requirement population, it is not clear how all in-scope requirements assigned testable = false will be supported by objective evidence prior to go-live. **Analysis**: As a result of the absence of an approved definition, documented validation method, and documented acceptance criteria for requirements marked testable = false, inconsistent and incomplete requirement acceptance is likely, resulting in reduced assurance that all in-scope requirements have been validated and formally accepted prior to go-live.	High

IV&V Findings and Recommendations

Testing

Recommendations	Status
The IV&V team recommends: 1. Formally define the meaning and use of the testable = false designation in an approved project artifact. 2. Establish and document an acceptance method for every requirement marked testable = false, including the required evidence, responsible party, reviewer, approval authority, and required trace links in Azure DevOps or the RTM. 3. Create a requirement-type decision framework that distinguishes how Adoption, Configuration, Customization, Security, Performance, Reporting, and other requirement classes will be validated and accepted when the State does not directly execute a test. 4. Reconcile and correct contradictory project statements regarding whether testable = false means “not yet available for State testing” or “not testable by the State.” 5. Review the current population of requirements marked testable = false, with specific attention to Customization and Configuration items, and either reclassify them or document the alternate validation and acceptance path for each class. 6. Define go-live entry and exit criteria that require all in-scope requirements to show either completed State validation or approved alternate evidence of satisfaction before release approval. 7. Require documented successful testing results for all vendor-executed sub-process or non-State-executed testing activities and link those results to the corresponding requirements and acceptance decision.	Open

Update(s)
5/30/2026 - This finding is being escalated to a Risk. Guidehouse is performing an analysis on this indicator and its implications, and the UI PMO is determining more specific criteria for this designation.

IV&V Findings and Recommendations

Interfaces

#	Key Findings	Criticality Rating
71	Risk – Inadequate Interface/Integration Management and Traceability **Initial Observations:** The project is managing and tracking interfaces in an external spreadsheet rather than using Azure DevOps (ADO). This practice introduces a parallel source of record that undermines traceability, change control, auditability, and timely reporting of interfaces and integration. 17% of interfaces listed in the spreadsheet are not populated in ADO (Ex, DLIR_DS_1019 - 1022, 1035 - 1040, 1083 – 1088, 1099 – 1100). 72% of interfaces listed in the spreadsheet do not contain statuses (Ex, DLIR_DS_1023 – 1030, 1032, 1034 – 1041, 1043 – 1103). 4% of interfaces listed in the spreadsheet do not contain data in Columns C - AC (e.g., DLIR_DS_1101 – 1103). 3 interfaces are marked as "Ready to Test" in the spreadsheet but do not contain any test cases in ADO (Ex, DLIR_DS_1016-1018). **Analysis:** Managing interfaces outside of ADO creates systemic risks across delivery, operations, and compliance. Without ADO linkage to requirements, design artifacts, test cases, and releases, end-to-end traceability is incomplete. A spreadsheet detached from ADO backlogs and boards obscures project metrics and dependencies, leading to late discovery of blockers and environment issues. A lack of real-time visibility impairs capacity planning and sprint commitment accuracy. Manual spreadsheets do not enforce validation, policy checks, and approvals. Missing links to automated tests and deployment pipelines increase the probability of integration defects escaping to later stages.	High

IV&V Findings and Recommendations

Interfaces

Recommendations	Status
IV&V recommends the following actions: 1. Establish ADO as the source of truth for interfaces. 2. Link interface work items to epics, features, stories, test cases, bugs, etc. 3. Define mapping from spreadsheet columns to ADO fields. 4. Build an ADO dashboard for interfaces that outline statuses, test coverage, defect density, etc. 5. Review the approved Interface/Integration Management Plan.	Open

Update(s)

05/28/2026 –
During the month of May, the Integration Workstream has created an additional spreadsheet ("Action Item Tracking") to track interface progress on specific tasks. This is external to ADO and the Interface Matrix. The workstream is now tracking interfaces across three (3) separate mechanisms (ADO, Interface Matrix, and Action Item Tracking). The recently approved Data Station Integration Plan v3.0 does not mention the use of the third tracking spreadsheet ("Action Item Tracking") and this methodology does not follow the process for interface management and tracking outlined in the integration plan.

05/19/2026 –
The Data Station Integration Plan v3.0 has been approved and shared with the IV&V team. The IV&V team is currently reviewing the document.

05/04/2026 –
The Weekly Integration Workstream meetings have been moved to a daily meeting.

04/27/2026 –
During the month of April, only one interface meeting was held. The Integration Matrix is still the source of truth for all interface/integration updates. ADO is updated sparingly. The Integration Management Plan was submitted to the UI PMO during the reporting period and once approved, the IV&V team will review and provide feedback.

IV&V Findings and Recommendations

Interfaces

Update(s)

04/02/2026 –
Finding was escalated to a Risk.

04/01/2026 –
The Data Station Integration Plan (Due 03/30/26 according to the 03/12/26 Change Request) has not yet been delivered. It is important to note that the Project Schedule dated 03/09/26 no longer includes the Data Station Integration Plan deliverable.

03/26/2026 –
The external Interface Matrix is still being used to track progress on the interface workstream. The ADO requirements have been hyperlinked to the corresponding interfaces within the spreadsheet. Weekly updates are tracked in the Update/Comments column but not incorporated into ADO. The External Request Plan has been sent to the IV&V team for review. The Data Station Integration Plan is scheduled for delivery on 3/30/26, per the 3/12/26 Change Request.

IV&V Findings and Recommendations

Scope and Schedule Management

#	Key Findings	Criticality Rating
79	Preliminary Concern – Project schedule quality and governance deficiencies. **Initial Observations:** The schedule exhibits multiple document quality and governance deficiencies that limit its usefulness as a management control, independent of any specific delivery dates. Internal versioning is inconsistent (e.g., "as of" dating that conflicts with the stated version), basic data hygiene errors exist (including invalid/impossible dates), baseline fields are missing or appear to have been overwritten, and numerous items that represent substantive work are modeled as zero-duration deliverables or placeholder activities (including weekend-heavy scheduling), obscuring real effort, dependencies, and true progress. **Analysis:** Document quality deficiencies reduce confidence that the schedule can function as a reliable management control or a credible basis for objective status assessment. As a result, IV&V cannot independently confirm baseline variance, critical path drivers, or forecasted completion with sufficient rigor, and schedule pressure may be understated or overstated. These conditions increase the likelihood of late discovery of missing work and unplanned effort near go-live, elevating execution and integration risk.	Medium

IV&V Findings and Recommendations

H Scope and Schedule Management

Recommendations	Status
IV&V recommends the following actions: The Hawaii DLIR UI PMO needs to require the UI Solution Vendor to remediate the Integrated Master Schedule (IMS) and related governance artifacts by enforcing document control (consistent versioning, stable approved baseline, and change control) and correcting schedule data hygiene (valid dates, logic, and elimination of placeholder/zero-duration activities). The vendor should decompose and resource-load go-live readiness work (cutover, stabilization, operational readiness, deployment preparation) into measurable work packages with objective entry/exit criteria, enabling IV&V and project leadership to independently verify progress, critical path drivers, and forecasted completion. Finally, IV&V recommends that outstanding schedule-related change requests be reviewed and formally approved or rejected to re-establish a clear, authoritative schedule baseline for performance reporting and decision-making.	Open

Update(s)
5/30/2026 – During the month of May there was no schedule remediation done and no schedule updates provided.

Appendix A – IV&V Criticality Ratings

See definitions of Criticality Ratings below:

Criticality Rating	Definition
H	A high rating is assigned if there is a possibility of substantial impact to product quality, scope, cost, or schedule. A major disruption is likely and the consequences would be unacceptable. A different approach is required. Mitigation strategies should be evaluated and acted upon immediately.
M	A medium rating is assigned if there is a possibility of moderate impact to product quality, scope, cost, or schedule. Some disruption is likely and a different approach may be required. Mitigation strategies should be evaluated and implemented as soon as feasible.
L	A low rating is assigned if there is a possibility of a slight impact on product quality, scope, cost, or schedule. Minimal disruption is likely and some oversight is most likely needed to ensure that the risk remains low. Mitigation strategies should be considered for implementation when possible.

Appendix B – IV&V Standard Inputs

Meetings attended and artifacts reviewed during the reporting period:
May 2026 Project HUI Huaka'i Weekly Status Reports
Data Cleansing meetings and meeting notes for meetings
Weekly Benefits SME Side by Side Screen Data Validation meetings
Weekly Data Conversion Status Update meetings
Development (Appeals) Features Backlog - Boards (azure.com)
Development (Benefits) Team Epics Backlog - Boards (azure.com)
DLIR Traceability Matrix Team Epics Backlog - Boards
Weekly Appeals meeting
Weekly Appeals Requirements Release & Demo
Benefits Requirements Sessions agendas and Meeting Notes
Financial/Accounting Requirements agendas, meetings, and meeting notes
Benefits Requirements Testing Demos
Integration Workstream Meetings
Interfaces Matrix
Tax Requirements sessions
OCM agendas, meetings, and meeting notes
Epic 28163 System
Risk Management Meetings
Project Schedule
RAID Log
Power BI Project Reports
Master Test Plan V3.4
Action Item Tracking
End-User Training Plan v1.2
Data Station Integration Plan v3.0

Appendix C – IV&V Details

- What is Independent Verification and Validation (IV&V)?
  - Oversight by an independent third party that assesses the project against industry standards to provide an unbiased view to stakeholders
  - The goal of IV&V is to help the State get the solution they want based on requirements and have it built according to best practices
  - IV&V helps improve design visibility and traceability and identifies (potential) problems early
  - IV&V objectively identifies risks and communicates to project leadership for risk management

- PCG IV&V Methodology
  - Consists of a 4-part process made up of the following areas:
    1. **Discovery** – Discovery consists of reviewing documentation, work products and deliverables, interviewing project team members, and determining applicable standards, best practices and tools
    2. **Research and Analysis** – Research and analysis is conducted in order to form an objective opinion.
    3. **Clarification** – Clarification from project team members is sought to ensure agreement and concurrence of facts between the State, the Vendor, and PCG.
    4. **Delivery of Findings** – Findings, observations, and risk assessments are documented in this monthly report and the accompanying Findings and Recommendations log. These documents are then shared with project leadership on both the State and Vendor side for them to consider and take appropriate action on.

Note: This report is a point-in-time document with findings accurate as of the last day in the reporting period.

Appendix D – Accepted Risks

Finding ID	Title	Description	Date Identified	Date Accepted by UI PMO	Date Closed
26	Sprint Retrospectives	The absence of a Sprint Retrospective in an agile IT project can have several negative impacts.	10/25/2024	05/31/2025	05/28/2025
31	Lack of Visibility in Backlog Management	Backlog grooming process is lacking transparency and key stakeholder involvement.	02/18/2025	07/15/2025	07/15/2025
43	Gaps in Project Reporting Structure	Project status reporting is not directly enforceable or verifiable within ADO.	04/28/2025	05/07/2025	05/27/2025
48	Misrepresented Velocity Forecasting in Project Dashboard	The project's Power BI reporting tool "UI PMO Metrics" presents a three month average velocity forecast assuming no future backlog growth.	08/26/2025	03/25/2026	03/31/2026
52	Working Software Demos	The absence of regular demos of working software increases the risk of misalignment between delivered functionality and stakeholder expectations.	09/25/2025	04/30/2026	04/30/2026

Appendix D – Accepted Risks

Finding ID	Title	Description	Date Identified	Date Accepted by UI PMO	Date Closed
67	Undocumented Schedule Changes and Governance Gap	Major schedule changes occurred without corresponding change requests or approvals.	02/18/2026	03/31/2026	03/31/2026
68	Traceability Loss Due to WBS and Unique ID Instability	Tasks were recreated across versions, breaking continuity and traceability.	02/18/2026	03/25/2026	03/31/2026
69	Milestone Integrity and Change Control Failure	Milestone dates changes significantly without governance or change requests.	02/18/2026	03/25/2026	03/31/2026
72	OCM Master Schedule is Separated from the Project's Master Schedule	OCM activities, milestones, and deliverables cannot be viewed holistically in relation to the overall project timeline and reporting metrics do not accurately represent the workload for organizational change management.	02/25/2026	03/31/2026	03/31/2026



Solutions that Matter