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DEPT. COMM. NO. 441

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 31, 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, House 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 ten days of receiving the report, please find attached the June 2026 report for the State of Hawai'i, Department of Human Services, HANA Modernization Project, as received by the Office of Enterprise Technology Services.

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)

State of Hawaii
Department of Human Services
HANA Modernization Project

Monthly IV&V Report: **June** 2026

- Monthly IV&V Report (Del. 4)
- Risk Identification Report (Del. 6)
- Status Report (Del. 11)

Report Contents (ctrl+click on name to jump to first slide in that section)

- Executive Summary
- IV&V Budget Dashboard
- IV&V Project Health At-a-Glance
- IV&V Assessment Report: New Findings and Major Updates
- IV&V Status Report: Risks & Issues
- Project Task Groups Observations
- IV&V Status Report: Activities, Accomplishments, Plans
- Organizational Change Management
- Appendix A: Ratings Definitions
- Appendix B: Ratings Definitions - Risk Exposure
- Appendix C: Project Summary

Executive Summary

- The SI reports 37% overall completion. However, the reported % completion is not yet a reliable indicator of actual project progress
  - The SI demonstrates ongoing progress through ad hoc show-and-tell sessions, use-case information in Jira, and numerical scores in individual use-case scorecards.
  - However, these work-related data remain fragmented and are not yet consistently consolidated into a clear project-level view that supports the reported completion percentage.
  - Acknowledging these limitations, the SI is implementing two mitigation measures: (1) onboarding a new Jira administrator to improve the quality and consistency of Jira work-item data, and (2) developing a Change Control Board process to review and resolve duplicate, withdrawn, obsolete, and otherwise outdated requirements. Together, these actions should strengthen work-item related data quality and support more reliable project progress tracking and reporting.
- Project scope continues to expand and has not yet stabilized.
  - With use-case discovery still underway, the number of identified use cases increased by approximately 35% over the past two months, from 99 in April to 133 in June.
  - The SI has not identified when use-case discovery will be complete or when the project scope will be sufficiently stable for reliable planning

Bottom Line: The project health remains **Cautionary / Yellow.** The SI continues to take positive steps to mature the requirement analysis process. Even though the increase in the total number of use cases need to be carefully monitored, this may reflect the SI's continued effort to mature their requirements analysis practice.

Monthly IV&V Assessment Report (Del. 4): June 2026

- Overall Project Health - Last 3 Months

Apr 2026	May 2026	June 2026
		

- Project health by Task Groups - Last 3 Months

Task Group	Apr 2026	May 2026	June 2026	Trend
Project Management				
Technical Discovery / Pods				
Requirements				
Solution Design				
Configuration & Development				
Testing				
Interfaces & Data Conversion				
Integration				
Deployment				

LEGEND FOR ASSESSMENT

	**Satisfactory** – No Corrective Actions Needed
	Caution – Possible Corrective Actions Needed
	Critical – Escalated for immediate action
	Not enough data is available

Findings At a Glance: June 2026

Issue	Risk	Preliminary Finding
Confirmed gap requiring resolution.	Confirmed gap requiring resolution.	Early signal warranting monitoring
2	0	1

The project currently has **2** outstanding observations and **1** open preliminary concern.

IV&V Risk Identification Report (Del. 6): June 2026

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No.	Risk, Issue, Preliminary Concern	Category	Title, Date, Description	Priority	Probability	Impact	Exposure (Probability X Impact)	Significance / Recommendation
202508 -01	Observation – ISSUE	Schedule	**Project Lacks Baselined Schedule** **6/30/2026: Establishing a reliable baseline has become more difficult as the SI continues to identify new use cases, which increased by approximately 35 percent from 99 in April to 133 in June. The SI also acknowledged that it cannot yet confirm when the full set of Minimum Viable Product requirements will be identified and continues to anticipate additional use cases and modernization-related requirements.** 5/31/2026: The SI continues to make progress toward establishing a stable baseline. The increase in identified use cases suggests that there is still some uncertainty regarding the full extent of project scope. At this point, the project does not yet appear to have reached a stage where the full scope has been fully identified. However, the SI appears to be making good-faith efforts and continues to show dedication toward establishing a full baseline.	↑	3	5	15	Without an accurate baselined schedule the SI team is unable to measure progress and identify late activities and their impact. IV&V recommends that the SI team focus on revising the schedule structure to enable the critical path to be identified and then baseline the schedule.

IV&V Risk Identification Report (Del. 6): June 2026

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No.	Risk, Issue, Preliminary Concern	Category	Title, Date, Description	Priority	Probability	Impact	Exposure (Probability X Impact)	Significance / Recommendation
202508-02	Observation – **ISSUE**	Requirements	**JAR Session, Requirements, and Use Case Development Effectiveness** **6/30/2026: Project scope expanded by approximately 35 percent over the past two months as additional use cases were identified. Limited progress was observed on existing use cases during the June reporting period. For example, the "Manage Contact Information" use case, which entered its first Solution Framing iteration in early April, still remains in progress with minimal reported status change and has extended well beyond the planned nine-week delivery cycle. IV&V's prior concern regarding the pace of use-case development therefore remains and has intensified as the number of identified use cases continues to increase.** 5/31/2026: The SI conducted two Solution Framing sessions for "Manage Contact Information" functionality. The discussion revealed broader design considerations that intersected underneath the functionalities including data design, role-based records and opportunities for improvement exploiting Power Platform capabilities. SI appears to be developing a good awareness of these complexities. However, IV&V remains concerned that the current tempo may not support completion of user story within the planned nine-week cycle. Additionally, IV&V noted an uptick in staff changes, including BA departures and onboarding, which may have temporarily created a bottleneck in use case development progress.	1	3	3	9	As requirements and requirements traceability are integral to the HANA solution, it is paramount that the JAR sessions establish a collaborative effort with DHS and the SI, to ensure that requirements are well formed, enumerated in use-cases, and agreed to by both parties. IV&V recommends that an appropriate amount of time is allocated in the project schedule for this important effort and ensure that this process will elicit the full set of requirements for the HANA modernization project. IV&V also recommends that DHS considers reviewing the JAR processes for potential improvements after the first few sessions are executed.

IV&V Risk Identification Report (Del. 6): June 2026

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No.	Risk, Issue, Preliminary Concern	Category	Title, Date, Description	Priority	Probability	Impact	Exposure (Probability X Impact)	Recommendation
2026-04-23	Preliminary Concern	Requirements	**Use Case Definition Lacks Structural Consistency** **6/30/2026: The SI continues to make progress on documentation and traceability: 1) onboarded a new Jira administrator, 2) entered initial technical requirements into Jira, and 3) started connecting use cases with their corresponding development work and prototypes.** **That said, these efforts don't yet translate into tangible progress measured by metrics, and IV&V continues to have concerns that the end-to-end work items connecting requirements, use cases, development, testing, and release are not consistently organized and traceable in Jira for clear visibility.** 5/28/2026: The SI appears to be taking positive steps to connect use cases across multiple dimensions, including business processes, common solution functions, and data entities, as part of prototype development. IV&V considers this integrative thinking useful and somewhat reduces the concern regarding use-case maturity. However, some concern remains that these relationships may not yet be consistently documented, organized, or traceable in requirements management tools such as Jira.	**TBD**	**TBD**	**TBD**	**TBD**	IV&V recommends the SI establish and enforce a consistent use case definition and decomposition standard, ensuring each use case represents a meaningful and comparable unit of business-to-technical traceability, with larger processes broken down systematically and smaller technical components elevated or consolidated appropriately within a clear hierarchy.

IV&V Status Report: **June** 2026

Task Area: Project Management

- Project Plans In Progress
  - The Project Management Plan remains incomplete as the SI continues to estimate project scope. Because the SI is still identifying additional use cases, the scope remains open-ended, making it difficult to estimate the full project duration with confidence.
  - IV&V assesses that groundwork toward completed Project Management Plan continues in the background, and overall Project management performance has remained consistent. Overall, the Project Management rating remains **Yellow** for this reporting period.

Task Area: Requirements

- Ongoing Requirements Elaboration and Use Case Development
  - The SI continued refining use cases and linking them to related business processes, common solution functions, data entities, supporting requirements, and development stories. In support of these efforts, the SI onboarded an additional Jira administrator during June, began improving the organization of Jira work-item data, and used show-and-tell demonstrations to provide interim visibility into prototypes and ongoing development activities.
  - Although the SI made incremental improvements during the reporting period, progress remains modest and open-ended. The number of identified use cases increased by approximately 35 percent from April to June, the full MVP requirements remain unconfirmed, and existing use cases have shown limited measurable advancement. Therefore, the Requirement rating remains **Red** for this reporting period.

IV&V Status Report: **June** 2026

Task Area: Design

- Not Yet Rated – No Current Activities

Task Area: Configuration & Development

- Not Yet Rated – No Current Activities

Task Area: Testing

- Not Yet Rated – No Current Activities

Task Area: Interfaces and Data Conversion

- Not Yet Rated – No Current Activities

Task Area: Integration

- Not Yet Rated – No Current Activities

Task Area: Deployment

- Not Yet Rated – No Current Activities

IV&V Status Report: **June** 2026

Task Area: Technical Discovery/ Pod

Pod Team	Activity Summary
User Access Management	Tested stories pushed to QA and finalized the plan for release to the DHS environment this week
Core Entity	Configured security roles across 22 entities and developed ZIP Code extension and Out-of-Hawaii address functionality
Special Functions (SFM)	Continues to focus on First-to-Work (FTW) and Employment and Training (E&T) related use cases
Data Service (Code Table/ Data Conversion)	Refining Code Registry functionality addressing DHS and UI/UX feedback. Continuing data model discussions

IV&V Status Report: **June** 2026

Task Area: Technical Discovery/ Pod (Continued)

Pod Team	Activity Summary
Messaging Service	Initial Messaging Service architectures are currently being reviewed with the Solution Architect
Notes and Activity Management (NAM)	Finalized Audit Log Design
Communication Management	Nothing Significant to Report

IV&V Status Report (Del. 11): June 2026

Meetings and Other Sessions attended

Date	Meeting Name	Meeting Owner
6/16	Bi-Weekly HANA Modernization Technology Checkpoint	eWorld
6/4, 6/18, 6/25	eWorld, DHS, IV&V Sync meetings	Mark Osman, eWorld, IV&V
6/10	HANA Mod Project: TMS IV&V Report Review	IV&V
6/4, 6/18, 6/25	Weekly HANA Modernization Status Meeting	Mark Osman, eWorld
6/5, 6/19	IV&V Weekly Meeting (TMS, N. Ekimoto, S. Nakasone, M. Choi)	IV&V
None	HM Solution Framing Working Session	eWorld

IV&V Status Report (Del. 11): June 2026

New Deliverables Reviewed

DED or Document?	Deliverable Name	Date Submitted	Date First Reviewed	Date Reported
Document	Go-Live Approach: Phased-In by Business Program	6/25/2026	6/25/2026	

IV&V Status Report (Del. 11): June 2026
Planned Activities for Next Month (July 2026)

Description	Comments
Review Project Deliverables	As completed by DHS
Attend Requirements Working Sessions	
Attend all Project Meetings with DHS PMO and eWorld	

IV&V Status Report (Del. 11): June 2026

Deliverables for Initial IV&V Review Next Month (July 2026)

DED or Deliverable?	Deliverable Name	Date Expected	Comments
	TBD in accordance with Project Schedule	N/A	

Organizational Change Management (OCM)
IV&V Report: **June** 2026

- **OCM assessment is finalized and approved by DHS in April**
  - **No update in this reporting period**

Mahalo Nui

Appendix A - Ratings Definitions

IV&V Findings

Indicator	Priority	Description	Criteria
1	Priority 1	Concerns and Observations ranked as Priority 1 are those that IV&V expects will yield **significant** opportunities for improvement or corrective action for the HANA project.	Critical that the Project resolve immediately and that pose a **significant** threat or impact to the project.
2	Priority 2	Concerns and Observations ranked as Priority 2 are those that IV&V expects will yield **moderate** opportunities for improvement or corrective action for the HANA project.	Essential that the Project resolve as soon as possible and that pose a **moderate** threat or impact to the project.
3	Priority 3	Concerns and Observations ranked as Priority 3 are those that IV&V expects will yield **minor** opportunities for improvement or corrective action for the HANA project and are focused primarily on conforming to existing standards or processes.	Important that the Project resolve within a reasonable timeframe, given other project priorities, and that pose a **minor or limited** threat or impact to the project.

Task Group Measurement Criteria

Legend for Task Group Assessment							
	Satisfactory – No corrective actions necessary. All life cycle activities conform to requirements. Standards, practices, and conventions are satisfactory. Risks or issues may exist and contain appropriate mitigation or resolution steps, and the project is adequately addressing them. The current technical risk to the project and software quality is low.		**Caution** – There may be a need for corrective action now or quite soon. Some life cycle activities are not in alignment with requirements. Some standards, practices and conventions may require process improvement to achieve desired outcomes. Risks or issues are often not identified or contain stale mitigation or resolution steps. The current technical risk to the project and software quality is moderate.		**Critical** – Escalated for immediate action. Many life cycle activities are not in alignment with requirements. Many standards, practices and conventions require corrective action to achieve desired outcomes. Risk mitigation is not effective, or issue resolution is not timely. Critical processes are not effective and are resulting in delays or rework. The current technical risk to the project and software quality is significant.		Not enough data is available to decide about project health.

Appendix B - Ratings Definitions – Risk Exposure

Risks

Impact
How severe would the outcomes be if the risk occurred?

Probability
What is the likelihood the risk will happen?

	Insignificant 1	Minor 2	Significant 3	Major 4	Severe 5
5 Almost Certain	Medium 5	High 10	Very high 15	Extreme 20	Extreme 25
4 Likely	Medium 4	Medium 8	High 12	Very high 16	Extreme 20
3 Moderate	Low 3	Medium 6	Medium 9	High 12	Very high 15
2 Unlikely	Very low 2	Low 4	Medium 6	Medium 8	High 10
1 Rare	Very low 1	Very low 2	Low 3	Medium 4	Medium 5

Appendix C - HANA Modernization Project Summary

- DHS/BESSD has selected eWorld as the Systems Integrator (SI) to design, develop, and implement a modernized version of the HANA system, which currently supports programs such as Child Care, First-to-Work (FTW), and Employment and Training.
- The modernization effort requires the vendor to use DHS's existing systems and tools to expand and enhance key program functions. This includes:
  1. Developing a public portal for Child Care, FTW, and Employment and Training benefits
  2. Implementing an intelligent online application intake process that adapts to applicant responses
  3. Strengthening provider and client management, including eligibility, determination, and payment issuance
  4. Improving program-benefit data management, participation tracking, payments, and financial reporting
  5. Creating a more consistent service experience by integrating multiple support channels - phone, email, and webform
  6. Developing statewide childcare navigation tools using GIS
  7. Delivering ad-hoc enhancements as program needs evolve