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. 452

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

August 19, 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 July 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: **July** 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 49% overall completion. However, the reported % completion is not yet a reliable indicator of actual project progress
  - The SI demonstrates ongoing progress through show-and-tell sessions and working prototypes on an as available basis.
  - The reported completion percentage is based largely on an outdated project plan draft that does not reflect the scope discovery of the past several months. The reliability of the completion percentage is further undermined by unclear traceability showing how individual use cases aggregate into larger business capabilities, along with unclear mapping among different work items within Jira. Together, these issues represent a significant amount of unidentified work that could cause material deviation from the current estimate.
  - To mitigate this, the SI holds weekly working sessions to review current requirements, discuss refinements, clarify ambiguous items, and resolve duplicates.
- Project scope continues to expand
  - With use-case discovery still underway, the number of identified use cases increased by approximately 77% over the past three months, from 99 in April to 175 in July. It is reported by eWorld that of the 175, 51 have been prototyped and some have been demonstrated, reflecting measurable progress. IV&V will independently validate these newly reported statistics in the August timeframe. However, because use-case discovery remains active, the total scope has not yet stabilized, and completion measured against a moving denominator does not yet provide a reliable indicator of overall progress.
  - The SI has not yet developed a sufficiently complete roadmap or high-level estimate showing how the identified use cases will be sequenced, grouped into larger business capabilities, or how long the remaining work is expected to take. As a result, the project scope and schedule remain insufficiently defined for reliable planning and progress measurement.

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): July 2026

- Overall Project Health - Last 3 Months

May 2026	June 2026	July 2026
		

- Project health by Task Groups - Last 3 Months

Task Group	May 2026	June 2026	July 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

IV&V Status Report: July 2026

Task Area: Project Management

- Project Schedule In Progress
  - The Project Schedule remains incomplete as the SI continues refining the project roadmap, backlog structure, and scope.
  - Additionally, several project deliverables remain significantly overdue, including the DDI Plan Deliverable by 151 days, the HANA Modernization Project Closeout Deliverable by 96 days, and the Disaster Recovery Plan by 62 days.
  - Because additional use cases and requirements may still emerge, the project duration cannot yet be estimated with confidence. However, this uncertainty does not eliminate the need for a current, assumption-based forecast. IV&V recommends that SI should regularly update the Project Plan using the best available scope information and demonstrate how emerging requirements and other changes affect the estimated schedule and completion date. Without a current plan, the project lacks a clear, time-bound completion target against which the team can align its work and measure progress and performance.
  - IV&V recognizes that the project scope remains unstable and that estimating the project's duration is therefore challenging. However, IV&V recommends that the Project management should demonstrate the ability to assess how changes in scope affect the project timeline and update the estimate accordingly.
  - IV&V recommends that the project establish a recurring meeting focused on risks and issues to support the development and maintenance of a best-available schedule based on the current known scope. Within this forum, the schedule should be actively reviewed and updated, with clear documentation of assumptions, unknowns, issues, and risks that affect its reliability and the project's progress. This structured review process will enable continuous refinement of the schedule as new information becomes available and overall uncertainty is progressively reduced.
  - The Project Management rating remains **Yellow** for this reporting period but may be reassessed as **Red** if this condition continues without measurable improvement.

IV&V Status Report: July 2026

Task Area: Requirements

- Ongoing Requirements Elaboration and Use Case Development
  - The SI continued refining use cases and demonstrating in-progress prototype activities at various stages. During July, the SI held multiple show-and-tell demonstrations, conducted weekly CCB reviews, and held solution-framing sessions to provide interim visibility into ongoing development.
  - Although the SI made incremental improvements during the reporting period. The number of identified use cases increased by approximately 77% from April to July (99 to 175), the full MVP requirements remain unconfirmed. Therefore, the Requirement rating remains **Red** for this reporting period.

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

Task Area: Technical Discovery/ Pod

Pod Team	Activity Summary
User Access Management	Released UAM into the DHS environment, completed supporting design documentation, and is addressing remaining enhancements and DHS feedback before operational use.
Core Entity	Continued building shared client, caregiver, and provider data functions as a preparation to support multiple HANA program workflows
Special Functions (SFM)	Worked on E&T and FTW use cases
Data Service (Code Table / Data Conversion)	Continuing useability enhancements, including effective-date control and a draft-and-publish workflow for safer reference-data changes.
Child Care Subsidy (CCS) / Preschool Open Door (POD)	Completed POD school-year setup Solution Framing session Continued developing shared processes for CCS and Preschool Open Doors (POD)

IV&V Status Report: July 2026

Task Area: Technical Discovery/ Pod (Continued)

Pod Team	Activity Summary
Messaging Service	Continued building Messaging HUB Proof of Concept (POC)
Notes and Activity Management (NAM)	Completed Audit Log proof of concept using Azure Synapse Link and Power BI Continue developing notes, alerts, contact logs, and task management functions
Communication Management	Configuring the Correspondence Automation Hub

Findings At a Glance: July 2026

Issue	Risk	Preliminary Concern
Confirmed gap requiring resolution	Potential Gap requiring mitigation	Early signal warranting monitoring
2	1	1

The project currently has **2** Issues, **1** Risk and **1** Preliminary Concern.

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

(page 1 of 4)

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** **7/31/2026: Establishing a reliable baseline remains difficult as the SI continues to identify and document additional use cases, which increased by more than 77 % from 99 in April to approximately 175 in July. Even though progress has been made, additional scope may continue to emerge through multiple channels including 1) DHS feedback during solution framing, 2) elaboration of existing use cases, 3) analysis of legacy-system code, and embedded business logic that may have not been properly yet captured in Jira. All these uncertainty makes it difficult to confirm when the Minimum Viable Product (MVP) scope will be sufficiently defined to support reliable planning and schedule forecasting.** **IV&V has identified this as an ongoing issue since August 1, 2025, with no substantive breakthrough to date.** 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**	**5**	**25**	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): July 2026

(page 2 of 4)

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** **7/31/2026: Project scope continued to expand during July as the number of identified use cases increased from 133 in June to approximately 175, while only a limited number progressed through formal Solution Framing sessions with DHS.** **The POD School Year solution framing session demonstrated improved organization and stakeholder engagement. However, it addressed largely data design and foundational functionality. More complex use cases involving downstream workflows, such as eligibility and calculations, remain, and IV&V believes these will require far more iterative rework based on DHS stakeholder engagement.** **Unfortunately, this uncertainty has not been discussed in sufficient depth for the scope calculation, heightening IV&V's concern regarding the pace of current progress given the scope increase and the remaining budget and maximum duration.** 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**	**3**	**15**	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): July 2026

(page 3 of 4)

No.	Risk, Issue, Preliminary Concern	Category	Title, Date, Description	Priority	Probability	Impact	Exposure (Probability X Impact)	Significance/Recommendation
20260 4-01	Risk	Requirements	**Use Case Definition Lacks Structural Consistency** **7/31/2026: No significant progress has been observed with Jira traceability since the previous reporting period. At the end of the reporting period, Jira contained 532 epics, 202 use cases (compared with 175 use cases reported in the SI's weekly reports) and 2,609 requirements. This large volume of work items appears to be inconsistently structured and linked. The continued disorganization of the work item repository impedes the project team's ability to accurately assess progress, evaluate the impact of changes, and identify missing or duplicate work items.** **IV&V has elevated this to a risk from a preliminary concern due to the lack of verifiable progress and its potential impact on the project if left unaddressed.** 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.	T	4	4	16	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 Risk Identification Report (Del. 6): July 2026

(page 4 of 4)

No.	Risk, Issue, Preliminary Concern	Category	Title, Date, Description	Priority	Probability	Impact	Exposure (Probability X Impact)	Significance/Recommendation
202607-01	Preliminary Concern	Requirements	**Change Control Board (CCB) and Requirement Clean-up Working Session** **7/31/2026: During the reporting period, the SI initiated Change Control Board (CCB) sessions to review the requirements repository, resolve duplicate requirements, and clarify the project's functional scope. IV&V views this as a constructive step toward resolving the inconsistencies previously identified in the Jira requirements repository. IV&V observed two conditions that may limit the effectiveness of this effort:** **1. Limited SMEs and BA participation: Some requirements could not be fully clarified because the appropriate SMEs or BAs were not present during the discussion** **2. Insufficient Review Capacity: A bi-weekly or weekly CCB may not provide enough capacity to address the existing backlog**	**TBD**	**TBD**	**TBD**	**TBD**	1. Ensure BA and SME representation: Include the appropriate BAs and business SMEs in CCB sessions to provide working-level context, clarify requirements, and support timely decisions. 2. Adopt a Divide-and-Conquer Approach: Break the requirements backlog into smaller working sessions held multiple times each week to improve review velocity. Use the weekly CCB to monitor overall status, confirm dispositions, and resolve cross-functional or higher-level issues.

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

Meetings and Other Sessions attended

Date	Meeting Name	Meeting Owner
7/28	Bi-Weekly HANA Modernization Technology Checkpoint	eWorld
7/2, 7/9, 7/23, 7/30	eWorld, DHS, IV&V Sync meetings	Mark Osman, eWorld, IV&V
7/15	HANA Mod Project: TMS IV&V Report Review	IV&V
7/2, 7/9, 7/16, 7/23, 7/30	Weekly HANA Modernization Status Meeting	Mark Osman, eWorld
7/31	IV&V Weekly Meeting (TMS, N. Ekimoto, S. Nakasone, M. Choi)	IV&V
7/15, 7/29	Weekly Hana Modernization Change Control Board	eWorld
7/29	HM Solution Framing Working Session	eWorld

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

New Deliverables Reviewed

DED or Document?	Deliverable Name	Date Submitted	Date First Reviewed	Date Reported
Document	None this reporting period	N/A	N/A	

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

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

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

- **OCM assessment was finalized and approved by DHS in April**
  - While changes and updates to the initial April 2026 OCM assessment documentation are anticipated by DHS and SI, there were no updates performed during 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