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DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES | *KA ʻOIHANA LOIHELU A LAWELAWE LAULĀ*

OFFICE OF ENTERPRISE TECHNOLOGY SERVICES | *KEʻENA HOʻOLANA ʻENEHANA*
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June 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, Hawaiʻi 96813

The Honorable Nadine K. Nakamura
Speaker and Members of the
House of Representatives
Thirty-Third State Legislature
State Capitol, Room 431
Honolulu, Hawaiʻi 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 report the Office of Enterprise Technology Services received for the State of Hawaiʻi, Department of Human Services, Systems Modernization 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 Hawaiʻi

Attachments (2)

State of Hawaii
Department of Human Services
HANA Modernization Project

Monthly IV&V Report: April 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

- The SI continues to refine the project schedule. The SI is reporting 37% completion, which they acknowledge may not reflect true progress toward completion. To address this, the SI is transitioning to a use-case-based progress tracking model tied directly to business value realized. IV&V views this effort as a positive step toward improved schedule integrity. However, IV&V assesses both scope and schedule risks remain active as SI until the full scope estimation is complete.
- Since adopting a use-case-centric delivery model, the SI appears to be actively operationalizing it across their delivery team. To make requirement sessions more business-process oriented, the team is transitioning to a 'left to right' storytelling approach that walks through the full process from initial intake to case closure, centered around user experience rather than technical silos. However, the team is currently experiencing challenges fitting their 9-week user story processing cycle into the project schedule, with approximately 20 months remaining until the targeted completion date of December 27, 2027.

Bottom Line: The project health remains **Cautionary / Yellow.** SI is taking positive steps to improve schedule reliability and requirement analysis process. However, these efforts remains largely preparatory and have not yet produced locked scope baseline or approved project schedule. With that said, the schedule and scope risks remains active.

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

- Overall Project Health - Last 3 Months

Feb 2026	Mar 2026	Apr 2026
▲	▲	▲

- Project health by Task Groups - Last 3 Months

Task Group	Feb 2026	Mar 2026	Apr 2026
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: Apr 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): April 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** **4/30/2026: The SI still remains in a pre-baseline stage. The SI has identified the full set of use cases and established a delivery cadence of approximately 2 use cases per 9-week cycle.** **With approximately 20 months remaining until the December 27, 2027 target completion, the SI has indicated they are working to fit this cadence into the broader project timeline; However, a credible path to completion using this approach has yet to be demonstrated.** **During this reporting period, the SI conducted 4 solution framing sessions covering 3 use cases. Due to limited visibility into what occurs after these sessions, IV&V is unable to assess whether the 9 weeks processing cycle is being met, the velocity at which use cases are progressing, or how they will be sequenced in a manner that credibly fits within the overall schedule constraint.** 3/31/2026: The SI remains is in a pre-baselining stage, focusing on defining a structured approach for requirement development including how use cases will be elaborated, reviewed and validated with agency SMEs and leadership, and advance to a development-ready state. This effort includes establishing a time-bound cycle targeting 9 weeks processing time per use case.	1	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): April 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** **4/30/2026: The SI continues to mature their requirements process. Notably, the team is transitioning their requirement sessions away from fragmented, technically-focused discussions toward a more integrated 'left to right' storytelling approach that walks through the end-to-end business flow, aligning requirements to how users actually experience the process providing a stronger foundation for comprehensive requirements elaboration. Additionally, the SI has nearly finalized their Requirements Traceability Plan, which outlines how they will ensure traceability from high-level business processes down to technical design elements.** **However, execution remains a concern. Use case status has been largely stagnant over the past four weeks, with little downstream movement from 'In Progress' to 'Ready for Demo' or 'Ready for Dev,' indicating a potential bottleneck in converting active work into outcomes.** 3/31/2026:The SI continues to refine its approach to requirements development process with a goal to help stakeholders better understand and validate their needs during requirement sessions. While process refinement is ongoing, the team is also advancing the underlying work by drafting and internally refining use case materials in preparation for solution framing sessions and subsequent client-facing JAR sessions. Additionally, The SI appears to be pursuing a clearer breakdown of Core Services and Core Entities, (which were previously ambiguous), as well as moving toward a more time-boxed approach for use case elaboration with clients, targeting a 9 week cycle from use case development to design. All these efforts indicate a positive direction. However, IV&V is cautious, as the approach remains largely conceptual at this point, and will continue to monitor End to End process effectiveness as it's executed and validated through feedback and measurable results.	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.

Use Case Progress in April

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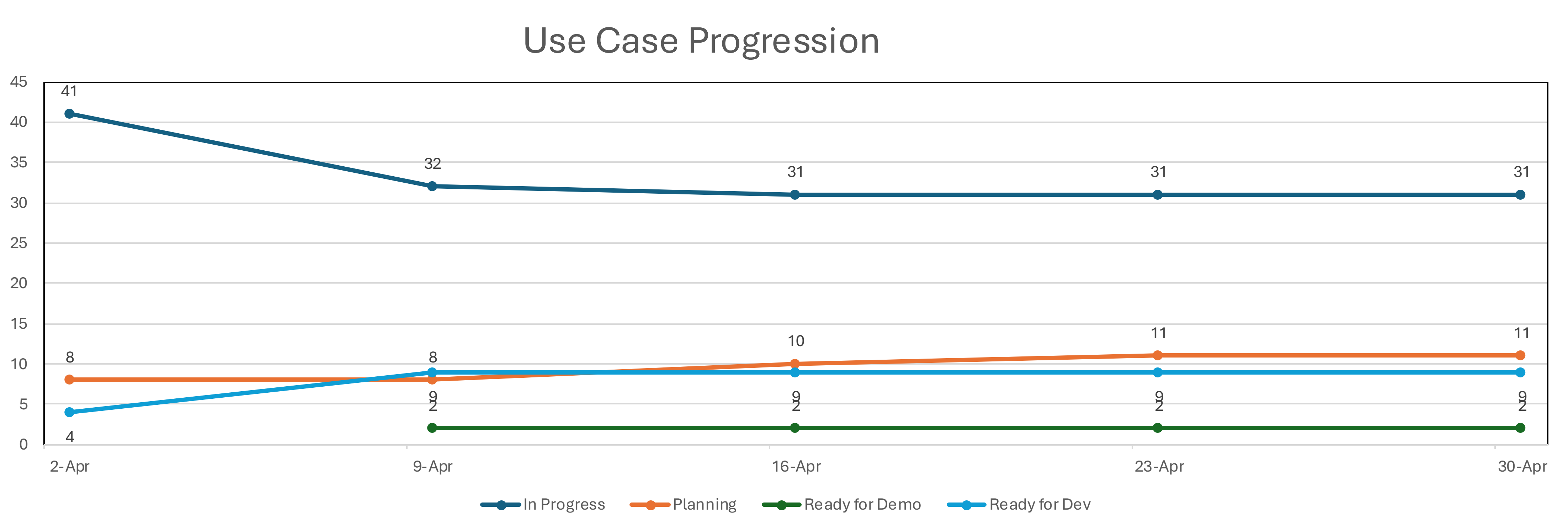

Lack of downstream movement in ‘Ready for Development’ and ‘Ready for Demo’ suggest a potential bottleneck

- Ready for Demo remains flat at 2 for last 4 weeks
- Ready for Dev remains flat at 9 for last 3 weeks
- In progress remains flat at 31 for last 3 weeks

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

(page 4 of 4)

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** **4/23/2026: The SI defines use cases as "bridge between business objectives and technical functionality." However, IV&V observes that the current set of use cases vary significantly in scope, ranging from broad functional domains that could encompass multiple business processes, to granular technical components.** **Without a consistent definition and structured decomposition, the use case inventory may not form a coherent basis for requirements traceability, sequencing, or test coverage, and gaps hidden at this stage are likely to surface as integration issues during build and testing.**	**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: April 2026

Task Area: Project Management

- Project Plans In Progress.
  - The Project Management Plan remains incomplete. However, the SI has shown progress toward establishing a more structured delivery approach transitioning to a use-case-driven tracking model. They continue to refine the requirements process, and map use cases to the project schedule all of which reflect steps towards finalized Project Management Plan. 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
  - The SI has made notable progress in refining their requirements approach, transitioning toward a more integrated 'left to right' storytelling that walks through the end-to-end business flow. Additionally, SI nearly finalized a Requirements Traceability Plan that details how to map high-level business processes to detailed design components.
  - However, residual concerns remain at the execution level. IV&V has observed inconsistency in how use cases are defined and structured. Additionally, use case progression appears to have been largely stagnant over the past four weeks showing limited downstream movement from 'In Progress' to 'Ready for Demo' or 'Ready for Dev.'
  - Although the SI has made consistent improvements this month, the Requirements rating remains **Red** due to these residual concerns and uncertainty over the steady progress of use cases.

IV&V Status Report: April 2026

Task Area: Technical Discovery/ Pod

Pod Team	Activity Summary
User Access Management	Held a release meeting with DHS. Currently finalizing delivery documentation while resolving bug fixes identified during testing
Core Entity	This team completed the first iteration of the data model and Entity Relationship Diagram (ERD) for Child Care Licensing (CCL) intake that supports 10 DHS forms. Finalizing solution framing for address and contact information use cases
Special Functions (SFM)	The SFM pod's workload increased after absorbing several use cases from Core Services, which appears intended to place more program-specific process logic under the appropriate delivery team. The team is currently focused on FTW use cases
Core Services	The Core Services pod is working on reusable, program-agnostic platform capabilities, with a current focus on generic questionnaire templates that can be used across multiple programs.

IV&V Status Report: April 2026

Task Area: Technical Discovery/ Pod (Continued)

Pod Team	Activity Summary
Data Service (Code Table/ Data Conversion)	Building the foundational data layer needed for HANA modernization by standardizing shared values such as List of Values for drop down fields. Also researching how legacy data structures can fit into the target data model
Messaging Service	Conducting a feasibility assessment to evaluate how MS Teams integration could support HANA's communication needs by reviewing how it can enable specific business scenarios.
Platform	Continuing to refine how environments are created, how code and configuration changes are reviewed, how deployments are controlled, and how reusable build components are stored and shared across pods.
Notes and Activity Management (NAM)	Continuing to develop Proof of Concept (POC) on alert function and preparing "Manage Contact Log" for upcoming solution framing sessions.

IV&V Status Report: April 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 (Del. 11): April 2026
Meetings and Other Sessions attended

Date	Meeting Name	Meeting Owner
4/7, 4/21	Bi-Weekly HANA Modernization Technology Checkpoint	eWorld
4/8, 4/15, 4/22, 4/30	eWorld, DHS, IV&V Sync meetings	Mark Osman, eWorld, IV&V
4/13	HANA Mod Project: TMS IV&V Report Review	IV&V
4/2, 4/9, 4/16, 4/23, 4/30	Weekly HANA Modernization Status Meeting	Mark Osman, eWorld
4/17,	IV&V Weekly Meeting (TMS, N. Ekimoto, S. Nakasone, M. Choi)	IV&V
4/6. 4/7	HM Solution Framing Working Session	eWorld
4/20	HM UAM Hands-On Demo	eWorld
4/24	RTM Deliverable Comments Review	eWorld

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

New Deliverables Reviewed

DED or Document?	Deliverable Name	Date Submitted	Date First Reviewed	Date Reported
Document	HM Requirements Traceability Matrix (RTM)	3/20/2026	3/27/2026	

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

Planned Activities for Next Month (May 2026)

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

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

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

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

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

- **OCM assessment is finalized and approved by DHS**
  - Afterward, IV&V has reviewed the OCM assessments and provided comments to DHS.

Mahalo Nui

TMS

TECHNOLOGY MANAGEMENT SOLUTIONS

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

Green circle	**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.	Yellow triangle	**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.	Red hexagon	**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.	Blue diamond	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?

Probabiity
What is the likklihood 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