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

STATE OF HAWAIʻI | *KA MOKUʻĀINA O HAWAIʻI*
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES | *KA ʻOIHANA LOIHELU A LAWELAWE LAULĀ*

OFFICE OF ENTERPRISE TECHNOLOGY SERVICES | *KEʻENA HOʻOLANA ʻENEHANA*

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

November 13, 2025

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: October 2025

- Assessment Report (Del. 4)
- Risks & Issues Report (Del. 6)
- Status Report (Del. 11)

TMS
TECHNOLOGY MANAGEMENT SOLUTIONS

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IV&V Status Report: Risks & Issues

Project Task Groups Observations

IV&V Status Report: Activities, Accomplishments, Plans

Organizational Change Management

Ratings Definitions

Project Summary

Executive Summary

- The System Integrator (SI) has successfully implemented targeted process and efficiency improvements across several key Project-Oriented Delivery (POD) teams supporting the HANA project. These enhancements are designed to streamline workflows, improve communication, and accelerate the delivery of high-quality results.
- Specifically, the following POD teams have benefited from these focused improvements:
  - Project Deliverables Team
  - Platform Team
  - B2C (Business-to-Consumer) Team
  - Core Entity Team
- Significant progress has been made this month in the crucial area of data mapping and data model refinement. This work is foundational to ensuring accurate data migration and integration within the new HANA environment.
- The team is actively working on the following data models:
  - Caregiver Data Model
  - Client/Patient Data Model
  - Provider Data Model
- OCM effort has commenced

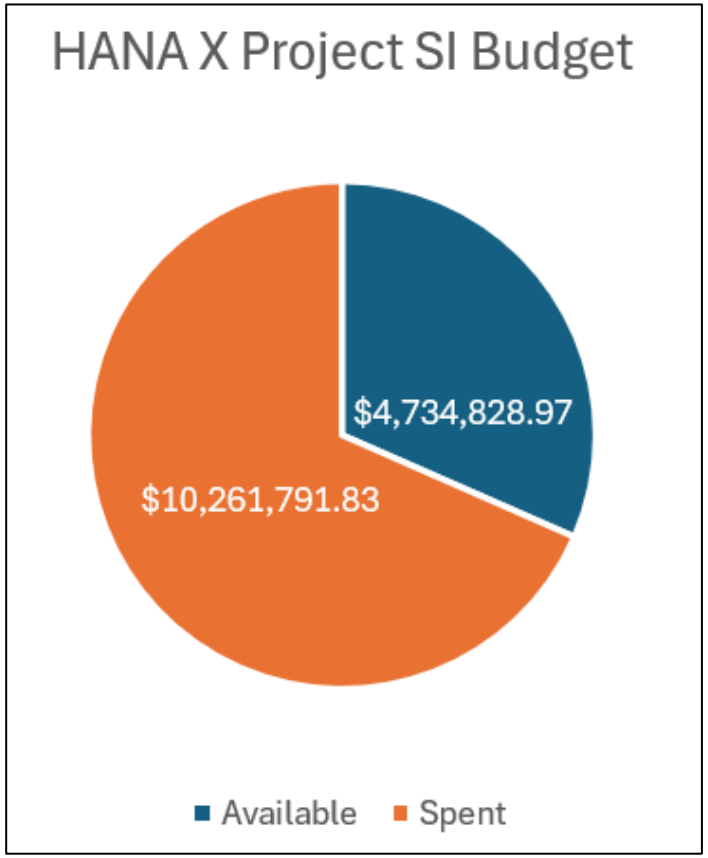
IV&V Budget Dashboard HANA Mod - October 2025

Budget Status

As of 09/23/2025: $10,261,791.82 has been expended on M&O and DD&I activities. The remaining budget available is $4,734,828.97, and is anticipated to cover the period through the end of 2026. The Average monthly spend is $513,089.59 (per month). The State of Hawai'i has the option to exercise two (2) 1-year extensions at which point additional funds would be allocated toward the project.

IV&V recommends analyzing the budget for its sufficiency given the remaining contract budget for the base period.

IV&V also recommends that the budget data is enhanced to clearly delineate expenditures between M&O and DD&I activities.



Monthly IV&V Assessment Report (Del. 4): October 2025

- Assessment of Project's health / performance:

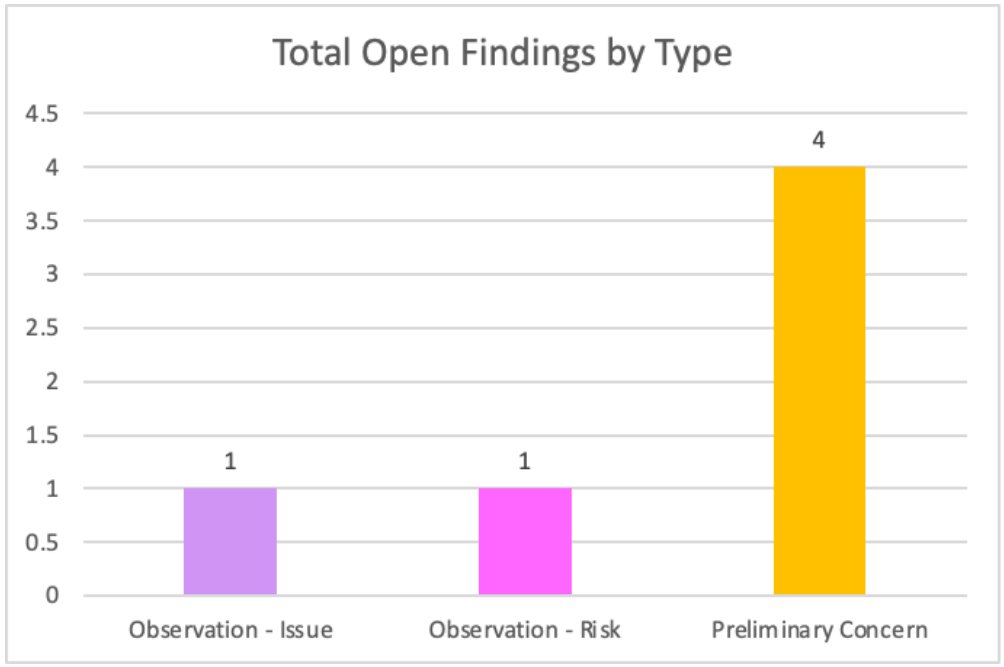
August 2025	September 2025	October 2025

- Project Areas / Task Groups:

Task Group	August 2025	September 2025	October 2025
Project Management			
Requirements			
Design			
Configuration & Development			
Testing			
Interfaces & Data Conversion			
Integration			
Deployment			

Findings At a Glance: October 2025

6 Currently Open



- IV&V has two outstanding observations:
  - 1 Issue (High)
  - 1 Risk (Medium)
- There are 4 open Preliminary Concerns.
  - Two Priority 2
  - Two Priority 3

IV&V Assessment Report: New Findings & Major Updates: October 2025

(Priority 1 and 2 Findings only)

No.	Type	Category	Title, Date, Description	Priority	Source	Significance	Recommendation
202508-01	Observation – ISSUE	Schedule	**Project Lacks Baselined Schedule** **10/31/2025:** The SI is scheduled to complete and provide a schedule for DHS and IV&V for review on 11/07/2025. The baseline is expected to be in place by the end of November 2025. **9/29/25:** Schedule is being updated by the SI PM, and he is working to get all tasks into the schedule. It is not yet baselined but is being updated with progress for tasks being worked on. There are more adjustments needed to ensure quality schedule management.	1	Project Meeting	Without an accurate baselined schedule, the project team is unable to measure progress and identify late activities and their impact.	IV&V recommends that the project team focus on revising the schedule structure to enable the critical path to be identified and then baseline the schedule.
202508-02	Observation – RISK	Requirements	**JAR Session, Requirements, and Use Case Development Effectiveness** **10/31/2025:** The project team met to discuss the JAR process. The eWorld team shared a draft JAR workflow for review. IV&V will evaluate the workflow during the November reporting period with key attention to identification of requirements, use-cases, and how they integrate with the Requirements Traceability Matrix (RTM). As such, IV&V had downgraded this risk to a Priority 2, and look forward to observing the JAR sessions when they commence. **9/30/25**: IV&V has escalated this to a RISK because the scheduled start for the external JAR sessions is currently at risk.	2	Project Meeting	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 Assessment Report: New Findings & Major Updates: October 2025

(Priority 1 and 2 Findings only)

No.	Type	Category	Title, Date, Description	Priority	Source	Significance	Recommendation
202508-03	Preliminary Concern	Budget	**Budget Management** 10/31/25: TMS was provided updated expenditures through September 23rd 2025. IV&V notes that approximately 32% of the budget remains unspent, and is anticipated to fund through 12/31/2026. **9/29/25:** Financial information was provided by DHS on 9/5/25; it is the original 3-year budget, which covers both DD&I and M&O. IV&V needs to work with DHS to get more detail on SI vendor invoicing - dates, services provided, etc. It is currently unclear how monthly expenditures impact the DD&I portion of the contract budget.	2	DD&I Contract Review	Without access to the financial tracking records for the project, IV&V will be unable to report on budget status or risks except through interview(s) to get anecdotal evidence for reports.	IV&V recommends that the budget data is enhanced to clearly delineate expenditures between M&O and DD&I activities. IV&V also recommends analyzing the budget for its sufficiency given the remaining contract budget for the base period.

IV&V Risk Identification Report (Del. 6): October 2025 New Risks, Issues, and Preliminary Concerns

Number	Date Identified or Escalated	Risk, Issue, Preliminary Concern	Brief Description, Action Items/Decisions	Probability (1 Low, 5 High)	Impact (1 Low, 5 High)	Exposure (Prob *x* Impact)	Mitigation Recommendation
2025-10-01	10/27/2025	Preliminary Concern	The SI proposes extending Dataverse Common Data Model (CDM) base entities with custom attributes and additional tables, specifically to integrate functionality for the Dynamics 365 government accelerator and other solution requirements. During the recent review (10-27-2025 Project meeting), it was unclear how these custom changes to the data model will impact the existing normalized data structure, or if there is a justified need to strategically de-normalize certain attributes for performance, as supporting documentation for these design decisions is currently missing.	TBD	TBD	TBD	The project team must formally document the target normalization level (e.g., 3NF) for all custom tables and extended Dataverse entities. A formal Data Architecture Review should be conducted to specifically assess the trade-offs of proposed denormalized attributes, ensuring performance gains outweigh the increased complexity and data risks. Since the project is still in the planning phase and the actual design phase has not started, IV&V will continue to monitor this observation, particularly through the initial set of design and data model demos.

IV&V Risk Identification Report (Del. 6): October 2025

Updates to Top Risks and/or Issues*

Number	Risk or Issue	Update	Probability (1 Low, 5 High)	Impact (1 Low, 5 High)	Exposure (Prob *x* Impact)	Mitigation Recommendation
202508-01	Issue	**Project Lacks Baselined Schedule** Without an accurate baselined schedule, the project team is unable to measure progress and identify late activities and their impact. **10/31/2025:** The SI is scheduled to complete and provide a schedule for DHS and IV&V for review on 11/07/2025. The baseline is expected to be in place by the end of November 2025.	5	5	**25**	IV&V recommends that the project team focus on revising the schedule structure to enable the critical path to be identified and then baseline the schedule. Target due date was end of September 2025. IV&V recommends taking all necessary steps to baseline at least the upcoming 90 days of the schedule.
202508-02	Risk	**JAR Session, Requirements, and Use Case Development Effectiveness** 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. **10/31/2025:** The project team met to discuss the JAR process. The eWorld team shared a draft JAR workflow for review. IV&V will evaluate the workflow during the November reporting period with key attention to identification of requirements, use-cases, and how they integrate with the Requirements Traceability Matrix (RTM). As such, IV&V had downgraded this risk to a Priority 2, and look forward to observing the JAR sessions when they commence.	3	3	**9**	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 Status Report: October 2025

Task Area: Project Management

- The SI is scheduled to complete and provide a schedule for DHS and IV&V for review on 11/07/2025. The baseline is expected to be in place by the end of November 2025.
- Project Management Plans In Progress.
- OCM activities have commenced.

Task Area: Requirements

- Requirements validation is expected to commence in parallel with the External JAR sessions.
- External JAR's have not yet commenced.

IV&V Status Report: October 2025

Task Area: Design

- POD Architecture Status – *As Reported by eWorld*
  - User Access Management – In Progress – N/A% Complete
    - 'User Access Management' replaced the Entra POD
    - New activities have now commenced for User Access Management
  - B2C – 100% Complete
  - Core Entity – In Progress
    - Core Data Model – 60% Complete
    - Prototype – 30% Complete
    - Migration Objects – 5% Complete
  - Core Services
    - GAP Analysis w/ Existing Apps – 80% Complete
    - GAP Analysis – Government Accelerator – 80% Complete
    - App Data Structures, UI Prototype – 50% Complete
    - BRD Research and Analysis – 12% Complete
  - Data Services – In Progress – N/A% Complete
  - Messaging Services
    - Architecture and Design – 71% Complete
  - Platform Team
    - Power Platform – GIT Architecture – 100% Complete
    - CI/CD Pipeline w/ ADO – 50% Complete
    - Demo of CI/CD pipeline – 60% Complete
    - Object Migration – 5% Complete

IV&V Status Report: October 2025

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

- DHS continues to research how the HANA Mod project will impact / be impacted by other projects or systems (for example: BES and HAWI). SI Vendor is planning additional discussions focused on this topic.

IV&V Status Report: October 2025

Task Area: Integration

- Not Yet Rated – No Current Activities

Task Area: Deployment

- Not Yet Rated – No Current Activities

IV&V Status Report (Del. 11): October 2025

Meetings and Other Sessions attended

Date	Meeting Name	Meeting Owner
10/3, 10/10, 10/17, 10/24, 10/31	eWorld, DHS, IV&V Sync meetings	Mark Osman, eWorld, IV&V
10/17, 10/24	Document Review / Comment Resolution meetings	Nick Ekimoto, DHS
10/13, 10/27	Bi-Weekly HANA Modernization Technology Checkpoint	Rama Kodumagulla, eWorld
10/2, 10/9, 10/16, 10/23, 10/30	Weekly HANA Modernization Status Meeting	Mark Osman, eWorld
10/3, 10/10	IV&V Weekly Meeting (TMS, N. Ekimoto, S. Nakasone, M. Choi)	John Kim, TMS
10/24	eWorld Microsoft Discussion	eWorld

IV&V Status Report (Del. 11): October 2025

New Deliverables Reviewed

DED or Document?	Deliverable Name	Date Submitted	Date First Reviewed	Date Reported
DED	HANA Modernization Deployment Plan	10/20	10/23	10/23
DED	HANA Modernization Project Roll-Out Plan	09/24	09/24	10/6
Document	HANA Quality Management Plan	09/24	09/24	10/6

IV&V Status Report (Del. 11): October 2025
Planned Activities for Next Month (November)

Description	Comments
Review Project Deliverables	As per baselined schedule
Attend all Project Meetings with DHS PMO and eWorld	

IV&V Status Report (Del. 11): October 2025

Deliverables for Initial IV&V Review Next Month

DED or Deliverable?	Deliverable Name	Date Expected	Comments
	TBD in accordance with Project Scheule	11/07/2025	

Organizational Change Management (OCM)
IV&V Report: October 2025

- *The Project has commenced OCM Planning Activities in the October 2025 reporting period.*
- *OCM Planning activities are expected to be finalized by the end of December 2025*
- *Stakeholder Solution User Groups w/OCM activities completed so far for each group*
- An OCM contact has not yet been provided to IV&V, so no User Groups or activities are known.

Leadership Involvement

- *Organizational Roles of State sponsors*
- *Record of any change/turnover in sponsorship*
- Scott Nakasone, Sponsor
- Mark Choi, Technical Sponsor
- Scott Morishige, Product Owner

Vendor Team

- *Roles contractually committed to project*
- *Any baseline vendor roles currently INACTIVE*
- *Record of turnover for each vendor role*
- Bhanu Vellanki, Executive Sponsor
- Raja Rangarajan, Engagement/Delivery Mgr.
- Rama Kodumagulla, Product Owner
- Lance Murata, Account Exec
- Mark Osman, Project Manager

State Team

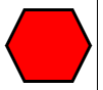
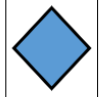
- *Original baseline State project roles assigned/needed*
- *Any baseline State roles currently INACTIVE*
- *Record of turnover for each state role*
- Nick Ekimoto, DHS Project Manager

Ratings Definitions

IV&V Findings

Indicator	Priority	Description	Criteria
	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.
	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.
	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 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. 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 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 risk to the project and software quality is **significant**.		Not enough data is available to make a determination about project health.

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

HANA Modernization Project Summary

DHS/BESSD is currently in the process of executing an agreement for vendor services to perform maintenance and operations on applications that have been developed and implemented utilizing DHS enterprise tools, such as a child care grant management portal and on-line child care application portal, and building upon these applications to design, develop and implement a functional modernized version of the HANA system. The following are the required services to be performed by the HANA Modernization Project vendor:

The HANA Modernization Project vendor shall leverage existing systems, services, platforms, and core technologies of the DHS enterprise platform, including all configuration, integration, and enhancements, by supporting and developing the following:

A. Public Portal for Child Care, TANF work programs, and Employment and Training programs and benefits.

B. Online Application In-take. Variable and intelligent application which is variable depending on applicant response.

C. Provider support, management, and relevant payment issuance.

D. Client support, management, eligibility, determination, and relevant payment issuance.

E. Program, benefit, participation rate, payments and financial data management and reporting.

F. Ad-hoc enhancements.

G. Provided application design services including:

1. Application, functional and technical design sessions;
2. Use of wireframes; and
3. UI/UX standards.

H. Provide support and development in the following programming languages and platforms:

1. Java – J2EE;
2. Javascript – Spring Framework;
3. Microsoft PowerApps and Dynamics; and
4. Other Low-code platforms.

HANA Modernization Project Summary

I. Provide support and develop application interfaces:

1. WSDL;
2. REST;
3. API management systems such as Boomi and Apigee;
4. SFTP;
5. IRS; and
6. Other State of Hawaii Departments.

J. Provide support and develop integration to DHS enterprise document management (EDM) based on DHS tools and software:

1. FileNet, enterprise document management platform;
2. DataCap, enterprise OCR, ICR and workflows:
    a. Optical Character Recognition:
        i. Full page;
        ii. Field level;
        iii. Documents; and
        iv. Images;
3. Object storage for documents and images;
4. Scanning including experience with State Xerox devices in use at DHS offices statewide and integration with FileNet;
5. DataCap workflows or programs to process documents and images; and
6. FileNet Content Navigator.

HANA Modernization Project Summary

K. Provide support and develop future child care navigation services using Geographical Information Systems (GIS) with preference for State of Hawaii standard ESRI:

1. GIS and mapping platforms;
2. Mapping of education and childcare provider facilities statewide that may be used for child care programs; and
3. GIS layers for facilities, high-resolution imagery, and relevant meta data.

L. Provide support and development to integrate with help desk and service desk for child care clients needing assistance with programs, benefits, and applying for assistance. Integration may come from various access points such as phone, webform, and email.

M. Provide testing and user acceptance testing that shall include the following services:

1. Requirements traceability;
2. Test cases;
3. Test scripts;
4. Manual and Automated testing;
5. ADA compliance and testing; and
6. Assisting in User Acceptance Testing (UAT).

N. Provide training to DHS user acceptance and training staff for application system enhancements and modifications.

O. Provide support, development services and functionality for Limited English Proficiency (LEP).

P. Provide support, development, and integration of Artificial Intelligence (AI) services and functionality using DHS Enterprise tools currently used in production.