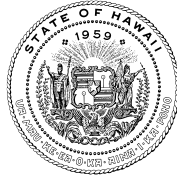


JOSH GREEN, M.D.  
GOVERNOR  
KE KIA ĀINA



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LUNA 'ENEHANA

**STATE OF HAWAII | KA MOKU'ĀINA O HAWAII'**  
**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

January 29, 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 report the Office of Enterprise Technology Services received for the State of Hawai'i, 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 Hawai'i

Attachments (2)



# State of Hawaii

# Department of Human Services

## HANA Modernization Project

### Monthly IV&V Report: November 2025

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





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[Organizational Change Management](#)

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[Appendix A: Ratings Definitions](#)

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# Executive Summary



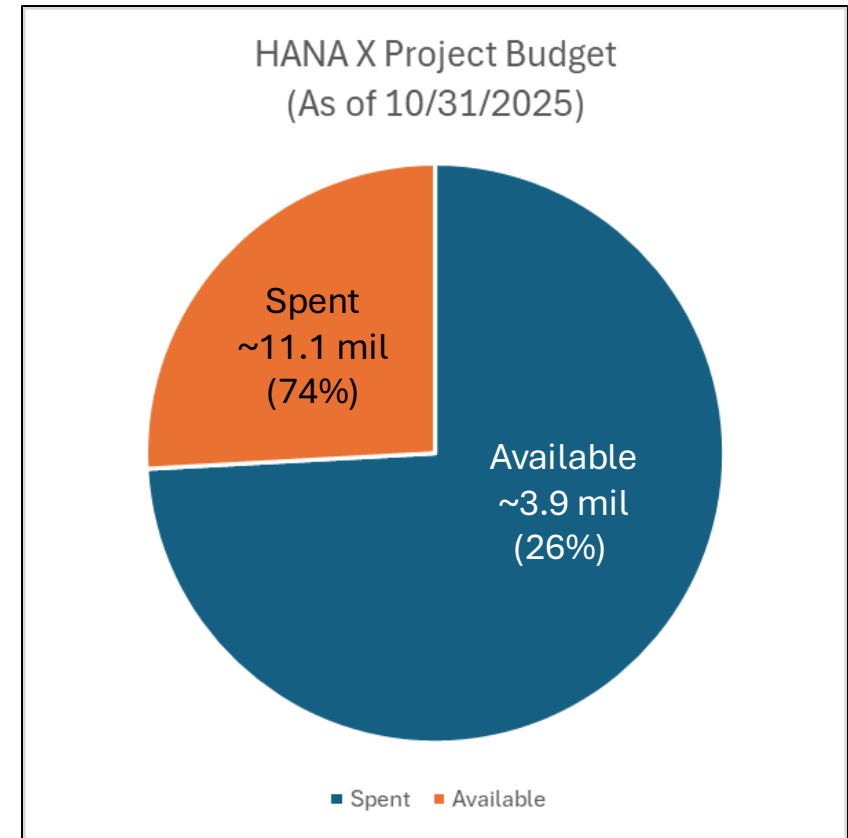
- The Systems Integrator (SI) continues to face challenges in baselining the schedule because the project has not yet finalized a well-defined set of requirements necessary to solidify the scope. Without clearer definition of the overall scope, the SI has limited ability to estimate realistic durations and resource needs, which in turn leaves major DDI milestone dates unstable and dependent on too many assumptions.
- The SI has begun weekly requirement review sessions with DHS SMEs, primarily focused on as-is process walkthroughs. While this represents progress, the work remains in the early stages of the requirements lifecycle. Without a complete and validated system requirements, schedule risk persists, before a stable baseline can be established.
- Based on expenditures to date, the project budget for the remainder of the three-year initial term is now projected to be depleted by Mid-June 2026, even though funding was originally expected to extend through December 2026. This challenge for the project will likely affect the project prior to meaningful development milestones being achieved.
- Although Pod activities were reported as progress last month, IV&V assesses that they primarily reflect early prototype-level discovery to understand how Microsoft CDM and Power Platform align with legacy HANA functionality. While these activities help surface potential customization needs and guides architectural decisions, they remain exploratory and do not yet indicate substantive progress toward a final solution.



# IV&V Budget Dashboard HANA Mod - November 2025

## Budget Status

- The project’s total base-period budget is \$14,996,620.79, with \$11,119,133.20 expended as of the end of October 2025, leaving \$3,877,487.59. At the current average monthly burn rate of \$505,415.15, the remaining budget provides roughly 7.7 months of funding from November 2025, projecting full depletion around Mid-June 2026.
- SI is working to improve expenditure transparency, including detailed reports of the costs. Leadership is also open to potentially reducing certain M&O activities to increase DD&I capacity. These items remain under discussion, and no decisions have been made as of November 2025.
- IV&V remains concerned that DD&I scope and requirements are still evolving, making cost and schedule estimates unstable, increasing the risk of scope expansion that complicates forecasting the total funds necessary to complete the project.





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

- Assessment of Project's health / performance:

September 2025	October 2025	November 2025
▲	▲	⬡

- Project Areas / Task Groups:

Task Group	September 2025	October 2025	November 2025
Project Management	▲	▲	⬡
	▲	▲	▲
Requirements	◆	◆	⬡
Solution Design	◆	▲	◆
Configuration & Development	◆	◆	◆
Testing	◆	◆	◆
Interfaces & Data Conversion	◆	◆	◆
Integration	◆	◆	◆
Deployment	◆	◆	◆

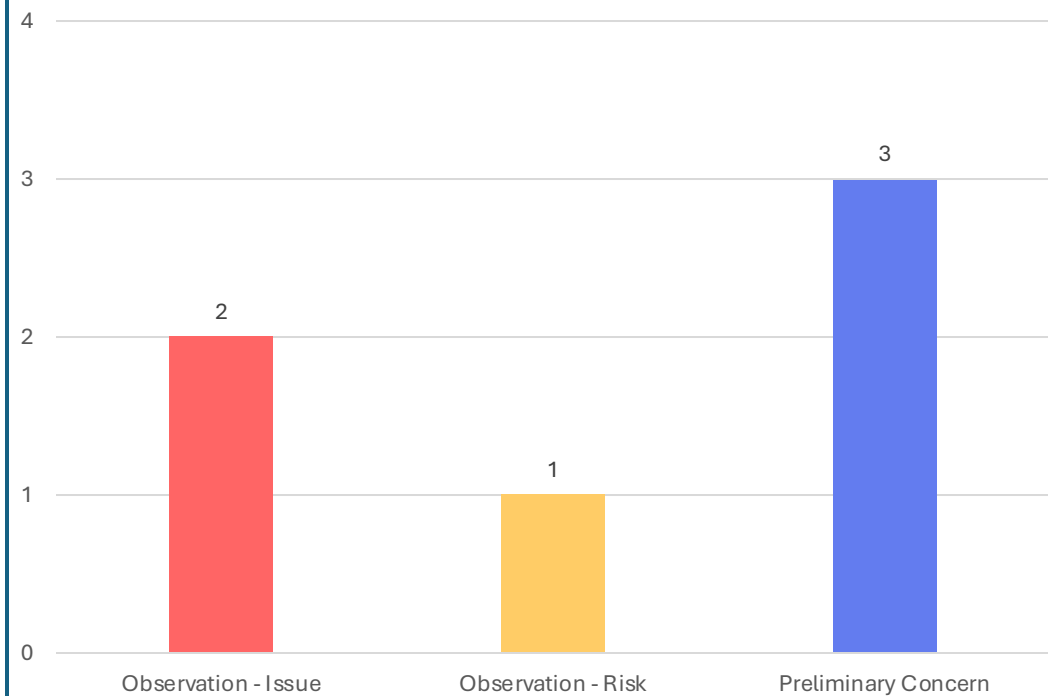


# Findings At a Glance: November 2025



## 6 Currently Open

Total Open Findings by Type



- 3 x outstanding observations:
  - 2 x Issue (High)
  - 1 x Risk (Medium)
- 3 x open Preliminary Concerns:
  - 2 x Priority 1
  - 1 x Priority 2



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

(page 1 of 5)

No.	Risk, Issue, Preliminary Concern	Category	Title, Date, Description	Priority	Probability	Impact	Exposure (Probability X Impact)	Significance / Recommendation
202508-01	Observation – <b>ISSUE</b>	Schedule	<p><b>Project Lacks Baselined Schedule</b></p> <p>12/31/2025: The SI made meaningful progress in improving the structural integrity of the project schedule. Task sequencing was cleaned up, negative lags were removed, and dependencies across pods and core verticals were clarified, rendering the schedule more logically coherent and revealing an emerging critical path. This represents a significant improvement over the prior state. However, a structurally sound schedule does not necessarily represent an accurate estimate of overall project effort. Key obstacles to producing a realistic schedule include:</p> <ol style="list-style-type: none"> <li>1) A lack of a clear approach for obtaining complete and validated requirements</li> <li>2) Unclear As-Is closure criteria and validation checkpoints</li> <li>3) To-Be requirements that remain open-ended and continue to evolve, creating uncertainty around the total project scope</li> <li>4) An undefined process for formally reviewing, validating, and signing off requirements, including the absence of midpoint validation checkpoints</li> <li>5) Unclear mechanisms for identifying and resolving cross-cutting dependencies or contradictions across processes or programs</li> </ol> <p>11/30/2025: The SI completed its initial schedule review; however, IV&amp;V notes that establishing a stable baseline by the end of November may be difficult due to open-ended requirements and remaining structural gaps in the schedule.</p>	<b>1</b>	<b>3</b>	<b>5</b>	<b>15</b>	<p>Without an accurate baselined schedule the project team is unable to measure progress and identify late activities and their impact.</p> <p>IV&amp;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.</p>



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

(page 2 of 5)

No.	Risk, Issue, Preliminary Concern	Category	Title, Date, Description	Priority	Probability	Impact	Exposure (Probability X Impact)	Significance / Recommendation
202508-02	Observation – Risk	Requirements	<p><b>JAR Session, Requirements, and Use Case Development Effectiveness</b></p> <p><b>12/31/2025 - The SI appears to be prototyping within individual pods to develop To-Be requirements. These efforts do not yet appear to be connected through an end-to-end requirements approach, and there is limited visibility into how pod outputs are consolidated into the overall system requirements.</b></p> <p><b>Additionally, IV&amp;V has limited visibility into whether To-Be requirements are being derived from the validated As-Is requirements of the legacy system, or scenarios are being independently identified at the pod level without consistent traceability to the legacy baseline.</b></p> <p><b>Lastly, IV&amp;V has limited visibility into how and when Agency SMEs are engaged to review / validate these requirements , or whether routine, structured checkpoints exist to prevent misaligned requirements from development in isolation.</b></p> <p>11/30/2025 - The SI has been facilitating weekly requirements review sessions, which primarily consist of walk-throughs of current <i>as-is</i> processes with agency SMEs. While the sessions are well-facilitated, this activity represents only the earliest stage of the requirements lifecycle and remains far from producing a sufficiently stable or complete requirements set needed to baseline the schedule.</p>	1	3	3	9	<p>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.</p> <p>IV&amp;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.</p> <p>IV&amp;V also recommends that DHS considers reviewing the JAR processes for potential improvements after the first few sessions are executed.</p>



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

(page 3 of 5)



		Category	Title, Date, Description	Priority			Exposure (Probability X Impact)	Recommendation
			<p><b>Budget Management</b></p> <p><b>11/31/25:</b> There are ongoing efforts to produce a clearer breakdown of how project spending has been split between DD&amp;I and M&amp;O activities. The project is awaiting this updated view to better understand the burn rate and how current expenditures align with the overall budget.</p> <p><b>10/31/25:</b> TMS was provided updated expenditures through September 23<sup>rd</sup> 2025. IV&amp;V notes that approximately 32% of the budget remains unspent, and is anticipated to fund through 12/31/2026.</p>					<p>Without access to the financial tracking records for the project IV&amp;V will be unable to report on budget status or risks except through interview(s) to get anecdotal evidence for reports.</p> <p>IV&amp;V recommends that the budget data is enhanced to clearly delineate expenditures between M&amp;O and DD&amp;I activities.</p> <p>IV&amp;V also recommends analyzing the budget for its sufficiency given the remaining contract budget for the base period.</p>





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

(page 4 of 5)



		Category	Title, Date, Description	Priority			Exposure (Probability X Impact)	Recommendation
2025-11-25	Preliminary Concern	Requirements	<p><b>Unclear Customization Needs</b></p> <p><b>12/31/2025:</b> Currently, it is not well understood how the required level of system customization is being determined. While the SI has documented a process for translating Business Requirements into User Stories, there is limited visibility into how this process is being executed in practice to systematically make customization decisions.</p> <p>Weekly project updates are largely driven by Pod-level activities and demonstrations, but they do not clearly show how pod outputs facilitate the decisions on out-of-the-box use, configuration, or customization. As a result, it remains unclear whether these activities are meaningfully reducing uncertainty around the required level of customization.</p> <p><b>11/31/2025:</b> The project has not yet determined the level of customization required to align the HANA legacy data model with the Microsoft Common Data Model (CDM).</p> <p>Because this work is still in progress and the required customizations are not fully defined, the level of effort remains open-ended and cannot yet be reliably incorporated into the project's schedule baseline.</p>					<p>Until the team completes current discovery works and determines where out-of-the-box functionality is sufficient versus where customization are needed, the project cannot reliably estimate the work, opening up to possibility for rework as the team starts to understanding the level of customization truly needed</p> <p>IV&amp;V recommends treating the current discovery activities as a preliminary phase aimed at fully identifying the technical implications of transitioning from the HANA to the MS Power Platform translating those findings into a tangible architecture vision.</p> <p>In parallel, the project should continue refining core business requirements to define the minimum functionality the new system must support.</p> <p>The combined output should be a validated and stable requirements set that clearly distinguishes what can be supported out-of-the-box versus what will require customization.</p>





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

(page 5 of 5)



No.	Risk, Issue, Preliminary Concern	Category	Title, Date, Description	Priority			Exposure (Probability X Impact)	Recommendation
2025-12-31	Preliminary Concern	Requirements	<p><b>Pod-Level Activity Reporting Is Not Yet Aligned With Meaningful Requirements Progress</b></p> <p><b>12/31/2025: Weekly project status updates are primarily centered on pod-level activities consisting of technical exploration, prototypes, and platform feature demonstrations. These activities appear to reflect the SI's internal ramp-up efforts to build familiarity with the toolsets, rather than quantifiable progress toward completion of the To-Be requirements.</b></p> <p><b>During weekly pod reporting, progress is communicated largely through activity volume and point-in-time demonstrations, rather than being tracked against defined objectives such as the number or percentage of requirements identified and discussed relative to the business areas currently in scope.</b></p> <p><b>From IV&amp;V's perspective, it remains unclear whether these demos, prototype outputs, and technical explorations are being systematically consolidated into the total scope in a manner that would enable subsequent design and development efforts.</b></p>					<p>IV&amp;V recommends restructuring the weekly project status meeting to more directly align with the project's milestone that clearly shows the progress toward establishing a complete, validated To-Be requirements that supports schedule baselining.</p> <p>Weekly meetings should be centered around progress teams are making toward functional requirements completion, with more extensive participation by lead business analysts. Pod demonstrations and updates should be selectively included only when they directly support a requirements related decision or DHS validation. Activities that are exploratory, preparatory, or primarily internal (e.g., tool familiarization, platform capability testing, or isolated feature demonstrations) should be clearly distinguished from work that contributes to requirements elaboration and may be communicated outside the weekly forum.</p>



# IV&V Status Report: December 2025



## Task Area: Project Management

- Project Management Plans In Progress.
  - The SI is currently in process of refining the Project Plan and had several review sessions with DHS and IV&V on for review on 11/07, 11/14 and 11/26 respectively. Additional reviews are expected to happen throughout December.
- OCM planning activities, including preliminary interviews, are underway and likely to extend into Q1 2026.

## Task Area: Requirements

- Weekly BRD review sessions with DHS SMEs are ongoing and focused on the “as-is” HANA system; a target completion date has not yet been set.
  - These sessions include walkthroughs of legacy processes and validation discussions, serving as a foundational activity for shaping and clarifying business requirements for the modernized system.



# IV&V Status Report: December 2025

## Task Area: Technical Discovery/ Pod

*Activities previously reported under Design are re-categorized as Discovery this month, as the work reflects exploratory prototyping rather than design progress.*

B2C	B2C prototyping has closed out
Core Entity	Progressing across several workstreams - core data model alignment, prototyping of key entities, functional and gap analysis, and migration of core objects into the HIDHS development environment.
Core Services	Progress across object migration, gap analysis against the Government Accelerator and existing Power Platform apps, and development of UI prototypes representing alternate CDM approaches.



# IV&V Status Report: December 2025

## Task Area: Technical Discovery/ Pod (Continued)

*Activities previously reported under Design are re-categorized as Discovery this month, as the work reflects exploratory prototyping rather than design progress.*

Pod Team	Activity Summary
Data Service/Conversion	The data conversion workstream has just begun defining the conversion approach and establishing the technical path for moving data from HANA to Dataverse, including creating the Azure Data Factory environment that links the HANA database and building a pipeline to import data.
	Reviewing how the system will handle messaging and notifications, comparing different design options using Novu and Boomi. They are working to decide which approach fits best before finalizing the overall architecture.



# IV&V Status Report: December 2025

## Task Area: Design

- Not Yet Rated – No Current Activities (Previous month's activities are moved to Technical Discovery/ Pod section)

## 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.

## Task Area: Integration

- Not Yet Rated – No Current Activities

## Task Area: Deployment

- Not Yet Rated – No Current Activities





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

## New Deliverables Reviewed



Document	HM RTM Draft	12/10	12/10	12/10





# IV&V Status Report (Del. 11): December 2025 Planned Activities for Next Month (January)



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



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

## Deliverables for Initial IV&V Review Next Month (January)




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






- **OCM currently in the assessment phase**
  - Conducting stakeholder readiness and impact evaluation.
  - Interview and assessment sessions are underway for completion and delivery of OCM plan by Q1 2026.







# Appendix A - 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 <b>significant</b> opportunities for improvement or corrective action for the HANA project.	Critical that the Project resolve immediately and that pose a <b>significant</b> threat or impact to the project.
	Priority 2	Concerns and Observations ranked as Priority 2 are those that IV&V expects will yield <b>moderate</b> opportunities for improvement or corrective action for the HANA project.	Essential that the Project resolve as soon as possible and that pose a <b>moderate</b> threat or impact to the project.
	Priority 3	Concerns and Observations ranked as Priority 3 are those that IV&V expects will yield <b>minor</b> 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 <b>minor or limited</b> threat or impact to the project.

## Task Group Measurement Criteria

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



# Appendix B- Ratings Definitions – Risk Exposure

## Risks

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

→

	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

Probability  
What is the likelihood the risk will happen?

↑

# 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 child care navigation tools using GIS
  7. Delivering ad-hoc enhancements as program needs evolve