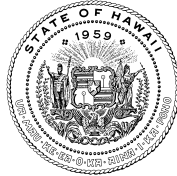


JOSH GREEN, M.D.  
GOVERNOR  
KE KIA ĀINA



KEITH A. REGAN  
COMPTROLLER  
KA LUNA HO'OMALU HANA LAULĀ

CHRISTINE M. SAKUDA  
CHIEF INFORMATION OFFICER  
LUNA 'ENEHANA

**STATE OF 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.

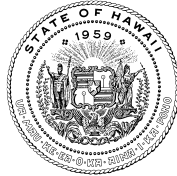
In accordance with HRS section 93-16, this report may be viewed electronically at <http://ets.hawaii.gov> (see "Reports").

Sincerely,

Christine M. Sakuda  
Chief Information Officer  
State of Hawai'i

Attachments (2)

JOSH GREEN, M.D.  
GOVERNOR  
KE KIA ĀINA



KEITH A. REGAN  
COMPTROLLER  
KA LUNA HO'OMALU HANA LAULĀ

CHRISTINE M. SAKUDA  
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**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 20, 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  
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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: December 2025

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



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[IV&V Status Report: Risks & Issues](#)

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[Project Task Groups Observations](#)

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[IV&V Status Report: Activities, Accomplishments, Plans](#)

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[Organizational Change Management](#)

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[Appendix A: Ratings Definitions](#)

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[Appendix C: Project Summary](#)

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# Executive Summary



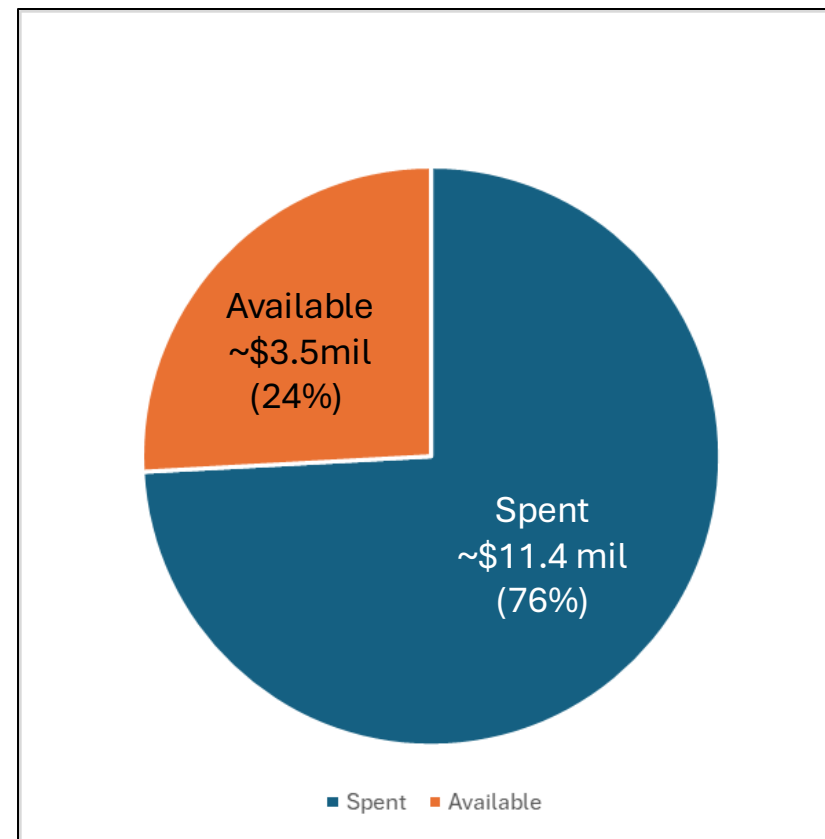
- While the System Integrator (SI) has strengthened the structure of the project schedule, uncertainty around the final scope and requirements continues to limit the project's ability to produce dependable timeline estimates.
- IV&V is not aware whether As-Is process walkthroughs with DHS SMEs sessions initiated in November continued during December or how outputs from previous sessions are being used to build To-Be requirements set. Limited visibility into how the As-Is findings are incorporated into requirements elaboration increases uncertainty about whether the project is making steady progress toward establishing a stable scope constraining the ability to establish a reliable schedule baseline.
- The project funding for the remainder of the three-year initial term is now projected to be depleted by early July 2026 (adjusted from last month's mid-June 2026 assessment), even though funding was originally expected to extend through December 2026. Recent monthly expenditures have decreased by approximately 40%, reflecting the SI's responsiveness to this funding risk. However, the funding gap is expected to emerge before the project reaches meaningful development milestones. Of note, there are two optional one-year contract extensions upon funding depletion.



# IV&V Budget Dashboard HANA Mod - December 2025

## Budget Status

- The project’s total base-period budget is \$14,996,620.79, with \$11,451,736.71 expended as of the end of November 2025, leaving \$3,544,884.08. At the current average monthly burn rate of \$497,901.60, the remaining budget provides roughly 7.2 months of funding from December 2025, projecting full depletion in early July 2026.
- The SI indicated it will continue to maintain delivery commitments despite potential near-term funding constraints. Discussions are ongoing regarding resourcing strategies, including possible augmentation with more senior BA resources, which IV&V views as appropriate for delivery needs but likely requiring trade-offs to balance available funding.
- 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): December 2025



- Assessment of Project's health / performance:

October 2025	November 2025	December 2025

- Project Areas / Task Groups:

Task Group	October 2025	November 2025	December 2025
Project Management			
Requirements			
Solution Design			
Configuration & Development			
Testing			
Interfaces & Data Conversion			
Integration			
Deployment			

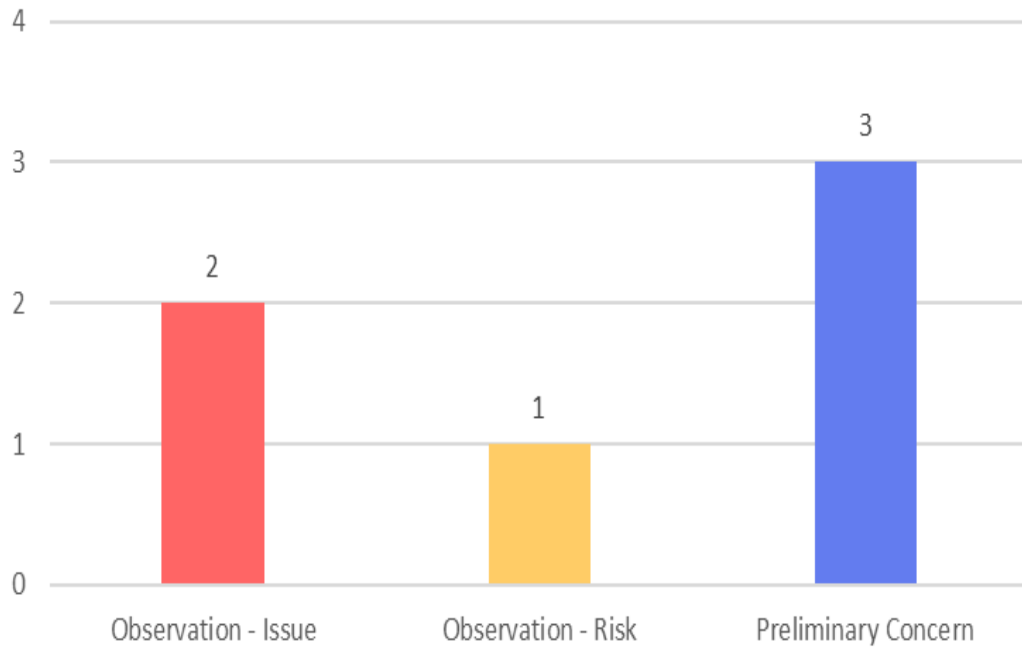


# Findings At a Glance: December 2025



## 5 Currently Open

Total Open Findings by Type



- 3 x outstanding observations:
  - 2 x Issue (High)
  - 1 x Risk (Medium)
- 3 x open Preliminary Concerns:
  - 1 x Priority 1
  - 2 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 refined and dependencies clarified, producing a more coherent schedule and an emerging critical path.</p> <p>This represents a significant improvement over the prior state. However, having a structurally sound schedule does not necessarily mean it represents an accurate estimate of overall project effort. Obstacles to producing a realistic schedule include:</p> <ul style="list-style-type: none"> <li>1) Lack of a clear approach to obtaining complete and validated requirements</li> <li>2) As-Is closure criteria and validation checkpoints remain unclear, while To-Be requirements continue to evolve and remain open-ended. This creates uncertainty around total project scope definition and limits the ability to establish firm validation and completion criteria.</li> <li>3) The process for formally reviewing, validating, and signing off requirements—or conducting midpoint validation checkpoints—is not well defined</li> <li>4) It is unclear how cross-cutting dependencies will be identified and resolved when contradictions arise across processes or programs</li> </ul> <p>11/30/2025: The SI completed its initial baseline schedule review, and IV&amp;V notes that establishing a stable baseline by the end of November may be difficult due to 1) open-ended requirements and 2) insufficient structural coherence within 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>12/31/2025 - The SI appears to be prototyping within individual pods to inform To-Be requirements; however, these efforts do not yet appear to be connected through a coordinated end-to-end requirements approach. IV&amp;V has limited visibility into how pod-level outputs are consolidated into the overall system requirements baseline. IV&amp;V also has limited visibility into whether To-Be requirements are being systematically derived from validated As-Is requirements of the legacy system, or whether scenarios are being independently identified at the pod level without consistent traceability to the legacy baseline. In addition, IV&amp;V has limited visibility into how and when Agency SMEs are engaged to review and validate To-Be requirements, or whether routine, structured checkpoints exist to prevent misaligned requirements from advancing into development in isolation.</p> <p>11/30/2025 - The SI has been facilitating weekly requirements review sessions, which primarily consist of walk-throughs of current as-is 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)

No.	Risk, Issue, Preliminary Concern	Category	Title, Date, Description	Priority	Probability	Impact	Exposure (Probability X Impact)	Recommendation
202508-03	Observation – Risk	Budget	<p><b>Budget Management</b></p> <p>12/31/25: DHS and SI provided enhanced budget data with a detailed breakdown between M&amp;O and DD&amp;I expenditures, as IV&amp;V previously recommended. Based on this data, SI has reduced monthly expenditures by approximately 40% month over month; however, under the current approved three-year budget, if the current trajectory holds, funding is projected to be exhausted by mid-2026, prior to any meaningful milestone completion. There are two optional one-year contract extensions that could provide short-term budgetary relief.</p> <p>11/30/25: 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>	1	3	3	9	<p>Previous IV&amp;V recommendation to enhance the budget data to clearly delineate M&amp;O and DD&amp;I expenditures has since been completed</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)



No.	Risk, Issue, Preliminary Concern	Category	Title, Date, Description	Priority	Probability	Impact	Exposure (Probability X Impact)	Recommendation
2025-11-25	Preliminary Concern	Requirements	<p><b>Unclear Customization Needs</b></p> <p><b>12/31/2025:</b> The SI continues to rely on prototype-based activities to assess how HANA legacy functionality may be supported by the new platform’s out-of-the-box (OOTB) capabilities versus requiring customization. However, IV&amp;V has limited visibility into the methodology through which customization needs are identified—whether through a systematic approach or emerging incidentally through pod-specific discovery efforts.</p> <p><b>As a result, IV&amp;V is unable to determine whether these activities are meaningfully advancing the project toward a comprehensive, and stable set of requirements necessary to support reliable customization estimates.</b></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>	TBD	TBD	TBD	TBD	<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 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 held review sessions with DHS and IV&V on 12/11 and 12/16 respectively. Additional reviews are expected to be scheduled throughout January.
- OCM planning activities, including preliminary interviews, are underway and likely to extend into Q1 2026.

## Task Area: Requirements

- 2 x Child Care Subsidy (CCS) BRD review sessions with DHS SMEs were conducted 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.*

Pod Team	Activity Summary
User Access Management	Prototyping a role-based access control (RBAC) model by defining common job roles and mapping them to permissions aligned with existing HANA access rules.
Core Entity	Prototyping core data and user experiences for the new system, assessing where OOTB capabilities are sufficient vs where customization is needed. Recent work focused on a caregiver contact experience that handles sensitive data and note functionalities.
Core Services	Focused on foundational application capabilities, including FTW module analysis and screen design. As analysis progressed, additional functional and data complexity was identified, indicating that the scope for this workstream is larger than originally planned and may require further adjustment to effort and timelines.



# 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	Focused on technical exploration and prototyping, including early Boomi integration activities and a prototype activity-log solution that mirrors HANA behavior in Dataverse. These efforts are exploratory and, while useful for design considerations, represent an early stage of data conversion work.
Messaging Service	Over the past month, the workstream has continued early technical validation of Novu and Boomi to assess messaging options. While some feasibility insights have been gained, key constraints and dependencies remain unresolved, and a final messaging approach has not yet been selected or baselined.
Platform	Continued maturing the technical foundation by expanding CI/CD capabilities with added governance, quality controls, and shared services. Progress remains foundational and focused on enabling future development



# 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 2026)



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 2026)




# 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?*

**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