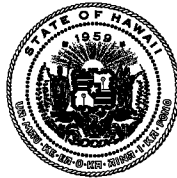


JOSH GREEN, M.D.  
GOVERNOR  
KE KIA ĀINA



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

April 9, 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,

A handwritten signature in blue ink, appearing to read "CSakuda".

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: February 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)



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[IV&V Project Health At-a-Glance](#)

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[IV&V Assessment Report: New Findings and Major Updates](#)

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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 B: Ratings Definitions - Risk Exposure](#)

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[Appendix C: Project Summary](#)

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# Executive Summary

- The System Integrator (SI) continues to refine the project schedule. However, timeline uncertainty persists as scope continues to expand, with increased complexity being identified during requirements analysis as data and business processes are unpacked in greater detail. As these discoveries are still evolving, the full extent of the scope is expected to progressively come to light as the analysis matures.
- The SI has commenced a series of Joint Application Requirements (JAR) sessions with DHS SMEs to support requirements elaboration and solution framing. The initial meetings have primarily served as opportunities to calibrate expectations and refine the facilitation approach. As the JAR process continues to mature, the sessions are expected to evolve into more structured discussions that support confirmation of requirements, clarification of solution approaches, and fit-gap analysis. IV&V will continue to monitor how these sessions develop and assess their effectiveness.
- The SI and DHS are aligned on a funding management approach to ensure budget constraints do not disrupt delivery. The SI has reaffirmed its commitment to maintaining work intensity, resource levels, and timely milestone delivery pending potential exercise of a contract extension

**Bottom Line:** The project health remains **Cautionary / Yellow** as concerns related to project schedule and requirements management continues to require close monitoring and disciplined risk management.

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



- Overall Project Health - Last 3 Months

Dec 2025	Jan 2026	Feb 2026

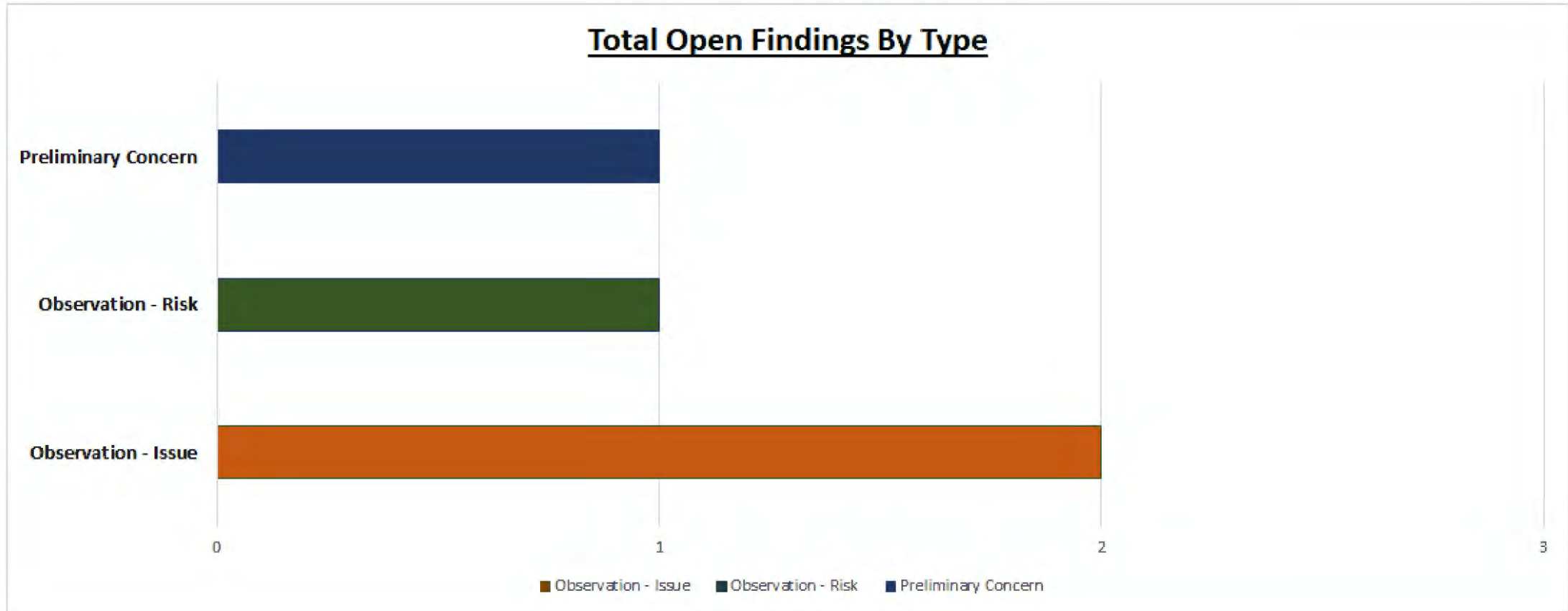
- Project health by Task Groups - Last 3 Months

Task Group	Dec 2025	Jan 2026	Feb 2026
Project Management			
Technical Discovery / Pods			
Requirements			
Solution Design			
Configuration & Development			
Testing			
Interfaces & Data Conversion			
Integration			
Deployment			

## LEGEND FOR ASSESSMENT

	<b>Satisfactory</b> – No Corrective Actions Needed
	<b>Caution</b> – Possible Corrective Actions Needed
	<b>Critical</b> – Escalated for immediate action
	Not enough data is available

# Findings At a Glance: February 2026



The project currently has 3 outstanding observations and 1 open preliminary concerns .



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

(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><b>2/28/2026:</b> There was no updates to the schedule published by the Systems Integrator (SI) during this reporting period. However, timeline uncertainty persists as scope continues to grow. The SI team, especially Core Entity and Core Service teams, continues to identify additional use cases, adding to the scope previously estimated. This scope increase is partially anticipated as the SI team is at the point of unpacking the true complexity of the requirements, and these discoveries are currently ongoing even though it is expected to mature. But at this point, the full extent of the Project scope remain uncertain.</p> <p>1/31/2026: The System Integrator is moving in the right direction in strengthening schedule discipline. While the SI continues to refine the structure of the project schedule and some uncertainty remains as final scope estimates are completed, a requirements elaboration process aligned with industry best practices has been established. The SI is making good-faith efforts to organize delivery activities around milestone dates, reinforcing increased schedule ownership and accountability across teams.</p> <p>In response to observations from the prior reporting period, the SI has:</p> <ol style="list-style-type: none"> <li>1) Defined an approach for obtaining complete and validated requirements</li> <li>2) Clarified how To-Be requirements will be elaborated</li> <li>3) Established a review, validation, and sign-off process for requirements</li> </ol>	<b>1</b>	<b>3</b>	<b>5</b>	<b>15</b>	<p>Without an accurate baselined schedule the SI team is unable to measure progress and identify late activities and their impact.</p> <p>IV&amp;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.</p>



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

(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>2/28/2026: The SI has shifted progress tracking from completion of technical tasks to completion of business use cases. This recalibration resets the reporting baseline and temporarily reflects reduced completion percentages, as seen in the reported “negative progress” for Core Entity and Core Services. However, it provides a more accurate representation of delivery aligned to business scenarios.</b></p> <p><b>Complicating this, as the SI team advances and elaborates requirements, additional use cases are being identified. As a result, the backlog continues to expand while progress is measured against a growing baseline. From an optics perspective, this may appear as scope growth and introduces near-term scheduling concerns.</b></p> <p>1/31/2026: The System Integrator is moving in a positive direction toward strengthening end-to-end delivery discipline. SI presented its plan to establish end-to-end requirements traceability, following a Define Requirements → Design → Build → Test → Deploy sequence, which IV&amp;V finds aligned with industry best practices. While the earlier intent to leverage demos remains, IV&amp;V’s assessment is that demos are now being positioned as a facilitation mechanism to elicit and clarify requirements, rather than to prescribe design in the absence of an established requirements baseline. IV&amp;V will continue to monitor the effectiveness of this approach during execution; however, at a planning level, the proposed framework represents a positive development and a pragmatic response to the project’s complexity.</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): February 2026

(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><b>2/28/2026: The SI has reaffirmed its commitment to maintaining the work intensity, resource level, timely milestone execution throughout the funding year. Based on this reaffirmed commitment, IV&amp;V assesses that the likelihood of this risk materializing is lower and has therefore downgraded its priority.</b></p> <p>1/31/26: Project funding for the remainder of 2026 is projected to be exhausted prior to the end of the term. The System Integrator has reduced recent monthly expenditures by approximately 40% to manage funding risk. The SI plans to continue current cost-management measures to support delivery of scheduled milestones and ensure continuity of work until a potential contract extension is exercised.</p>		<b>1</b>	<b>3</b>	<b>3</b>	<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): February 2026

(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>2/28/2026: No changes were made to the clarity<sup>1</sup> of customization needs during this reporting period. While the SI has articulated a requirements traceability approach that includes identifying OOTB versus custom functionality through fit-gap analysis, current efforts are focused on early-stage requirements discovery. At this stage, the SI team is prioritizing foundational requirements definition before initiating formal fit-gap evaluation.</b></p> <p>1/31/2026: The SI has clarified its approach for identifying customization needs by defining a more structured process in which out-of-the-box (OOTB) versus custom functionality is first identified through a requirement-by-requirement fit-gap assessment and then validated through further discussion with subject matter experts. Prototype demonstrations are now intended primarily as a facilitation tool to elicit and refine requirements, rather than to prescribe design, although some demos may be reused where little or no design modification is required.</p>	TBD	TBD	TBD	TBD	<p>Until the SI 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 to possibility for rework as the SI 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: February 2026

## Task Area: Project Management

- Project Plans In Progress.
  - The Project Management Plan remains in progress, and IV&V observed no new updates to the Project Plan during this reporting period. This is largely due to the Project Manager's extended travel to the offshore team to align the team on streamlined communication and processes. While no visible updates were made this month, IV&V assesses that important groundwork is being conducted in the background, and overall project management performance has remained consistent. IV&V will continue to monitor progress on the Project Management Plan. Overall, the Project Management rating remains **Yellow** for this reporting period.

## Task Area: Requirements

- Ongoing Requirements Elaboration
  - The project is currently focused on developing To-Be requirements in collaboration with SMEs. As requirements elaboration progresses, additional scope elements and use cases continue to emerge. While IV&V has observed directional improvement in the requirements development process, the project still remains in a discovery phase where scope is expanding without a reliable estimate of the total scope. The System Integrator (SI) has also started a series of Joint Application Requirements (JAR) sessions with DHS SMEs. The first three sessions primarily served as learning opportunities to align expectations and refine the working approach. IV&V will continue to monitor progress through the March reporting period. Overall, the absence of a defined requirements baseline maintains the level uncertainty in cost and schedule; therefore, the Requirements rating remains **Red** for this reporting period.

# IV&V Status Report: February 2026

## Task Area: Technical Discovery/ Pod



Pod Team	Activity Summary
User Access Management	The SI is developing use cases and also preparing technical documentation and training materials.
Core Entity	Progress tracking has shifted from completion of technical tasks to completion of business use cases. This recalibration resets the reporting baseline and may temporarily reflect reduced completion percentages; however, it provides a more accurate representation of delivery progress from a business outcome perspective.
Core Services	Implemented the data design as configurable tables to support program (specific questionnaires and templates, validated the underlying data structures) schema alignment, lookup relationship validation, and sample data population and evaluated Power Pages versus Power Apps to determine the most maintainable UI approach for the future.



# IV&V Status Report: February 2026

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

Pod Team	Activity Summary
Data Service (Code Table/ Data Conversion)	The Data Services workstream focused on stabilizing CodeX API integrations, CRUD services, and related data interfaces, with efforts centered on hardening foundational data services.
Messaging Service	The finalized requirements document has been submitted, and the technical team is expected to begin feasibility evaluation pending final approval.
Platform	The SI is moving toward a biweekly release cadence to improve deployment governance as cross-pod dependencies increase with system integration.
Notes and Activity Management (NAM)	Conducted JAR session with DHS SME to refine requirements Development and research on new capabilities to be added, as well as building prototypes



# IV&V Status Report: February 2026

## 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

- 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): February 2026

## Meetings and Other Sessions attended



Date	Meeting Name	Meeting Owner
2/3	In person meeting with DHS	Nick Ekimoto
2/3	TMS in person meeting with DHS Project Manager and Director	Scott Nakasone
2/3	TMS in person meeting with DHS CIO	Mark Choi
2/4	eWorld, DHS, IV&V Sync meetings	Mark Osman, eWorld, IV&V
2/12	HANA Mod Project: TMS IV&V Report Review	IV&V
2/7, 2/12, 2/26	Weekly HANA Modernization Status Meeting	Mark Osman, eWorld
2/20, 2/27	IV&V Weekly Meeting (TMS, N. Ekimoto, S. Nakasone, M. Choi)	IV&V
2/12, 2/18, 2/27	External JAR sessions (Clearnace and Notes and Activities)	eWorld

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

## New Deliverables Reviewed



DED or Document?	Deliverable Name	Date Submitted	Date First Reviewed	Date Reported
DED	HM Requirements Traceability Matrix (RTM) DED	2/5/2026	2/5/2026	

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



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

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

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



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

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






- **OCM currently in the assessment phase**
  - The OCM assessment report is nearing completion and is currently in finalization.
  - 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 technical risk to the project and software quality is low.</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>Some 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 technical risk to the project and software quality is moderate.</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 technical risk to the project and software quality is significant.</p>		<p>Not enough data is available to decide 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