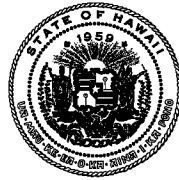


JOSH GREEN, M.D.  
GOVERNOR  
KE KIA ĀINA



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: January 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 Budget Dashboard](#)

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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 C: Project Summary](#)

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# Executive Summary



- While the System Integrator (SI) continues to refine the structure of the project schedule, some uncertainty remains as the project continues to estimate the final scope. However, the SI has defined a requirements elaboration process aligned with industry best practices and is making good-faith efforts to organize delivery activities around milestone dates, reinforcing a culture of increased schedule ownership and accountability across teams.
- The System Integrator presented its plan to establish end-to-end requirements traceability, following a **Define Requirements → Design → Build → Test → Deploy** sequence, which IV&V finds aligned with industry best practices. While the earlier intent to leverage demos remains, IV&V's assessment is that demos are now being positioned as a facilitation tool to elicit requirements, rather than to prescribe design in the absence of an established requirements baseline. IV&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.
- Project funding for the remainder of 2026 is projected to be fully expended before the end of the term. The System Integrator and DHS are aligned on a funding management approach to ensure budget constraints do not disrupt project delivery. Under this approach, the SI plans to continue supporting planned milestones and maintain continuity of work pending potential exercise of a contract extension.

**Bottom Line:** The project health has been upgraded to **Cautionary / Yellow** for January from **Critical/Red** in the prior reporting period, as concerns related to project schedule and requirements management are appropriately addressed.



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

- Assessment of Project's health / performance:

November 2025	December 2025	January 2026

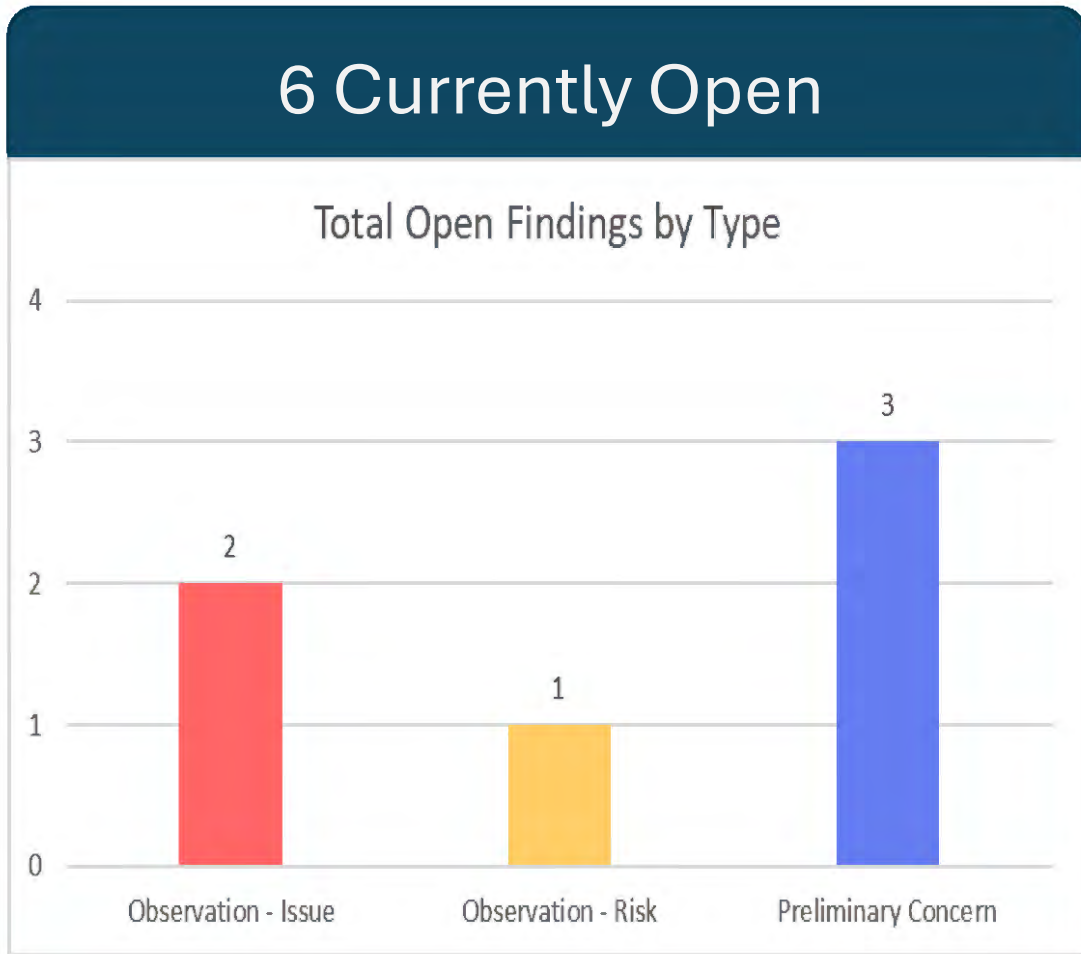
- Project Areas / Task Groups:

Task Group	November 2025	December 2025	January 2026
Project Management			
Technical Discovery / Pods			
Requirements			
Solution Design			
Configuration & Development			
Testing			
Interfaces & Data Conversion			
Integration			
Deployment			





# Findings At a Glance: January 2026



- 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): January 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>1/31/2026</p> <p>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> <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. 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.</p>	1	3	5	15	<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): January 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>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> <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>	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): January 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>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.</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>	1	3	1	4	<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): January 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> 1</p> <p><b>1/31/2026:</b>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. <b>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.</b></p> <p>12/31/2025: 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. 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</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: January 2026

## Task Area: Project Management

- Project Management Plans In Progress.
  - The Project Management practice has improved significantly over the past few reporting periods, as the SI project manager has taken a proactive approach to aligning schedule and requirements management with industry best practices, moving the project in a positive direction. The SI is currently refining the Project Plan and has conducted review sessions with DHS and IV&V. Additional reviews are expected as the plan continues to mature. Reflecting this progress, IV&V has upgraded the Project Management rating from **Red** to **Yellow** this reporting period
- OCM planning activities, including documenting findings, defining Change Management approach, are underway and likely to extend into Q1 2026.

## Task Area: Requirements

- SI Project Manager gave a presentation focused on the SI's requirement and traceability approach
  - Addressed prior IV&V concerns, at the conceptual level, regarding how requirement traceability is planned to be established across As-Is and To-Be requirements, prototypes, technical discovery activities, and the current BRD review and reporting discussions.

# IV&V Status Report: January 2026

## Task Area: Technical Discovery/ Pod



Pod Team	Activity Summary
User Access Management	Building on the RBAC role definitions established last month, the team initiated documentation of a security model strategy to translate legacy verb-based access rules (Do/Execute/Inquiry) into Dataverse CRUD-based permissions to support implementation.
Core Entity	Strengthened system controls and data integrity for Clearance processing to support compliant, auditable operations and consistent behavior across legacy and new records.
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: January 2026

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

Pod Team	Activity Summary
Data Service (Code Table/ Data Conversion)	Established the security and access framework required to manage CodeX reference data, including role-based controls, authenticated access through APIM, and deployment to Dev and QA. For Data Conversion, identified in-scope data tables and organized them into epics as part of preliminary planning.
Messaging Service	Engaged SMEs to gather functional requirements, incorporated initial feedback, and completed a draft set of requirements for review.
Platform	Provisioned non-production environments, configured deployment pipelines, and set up supporting infrastructure to support development and QA activities.
Notes and Activity Management (NAM)	Conducted feature research, developed a demonstration, and completed initial drafts of the Use Case, Functional Design, and Technical Design documents, including a preliminary As-Is versus To-Be fit/gap analysis, with follow-up initiated with business SMEs to refine requirements.



# IV&V Status Report: January 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

- 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): January 2026

## Meetings and Other Sessions attended



Date	Meeting Name	Meeting Owner
1/7, 1/14, 1/21, 1/28	eWorld, DHS, IV&V Sync meetings	Mark Osman, eWorld, IV&V
1/13	HANA Mod Project: TMS IV&V Report Review	IV&V
1/19	Bi-Weekly HANA Modernization Technology Checkpoint	Rama Kodumagulla, eWorld
1/8, 1/15, 1/29	Weekly HANA Modernization Status Meeting	Mark Osman, eWorld
1/16, 1/23, 1/30	IV&V Weekly Meeting (TMS, N. Ekimoto, S. Nakasone, M. Choi)	IV&V
1/12	HANA – OET Reports	eWorld
1/16, 1/30	Deliverable review	eWorld

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

## New Deliverables Reviewed



DED or Document?	Deliverable Name	Date Submitted	Date First Reviewed	Date Reported
Document	HANA Project Schedule	12/11	12/16	12/16
Document	Quality Management Plan	12/19	1/16	1/30
DED	Functional and System Design Document DED	12/19	1/16	1/30
DED	Deployment Plan DED	12/19	1/16	1/30
DED	HM RTM DED	1/28	1/30	1/30

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

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



DED or Deliverable?	Deliverable Name	Date Expected	Comments
	HM Requirements Traceability Matrix (RTM) DED TBD in accordance with Project Schedule	N/A	

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






- **OCM currently in the assessment phase**
  - Documenting Assessment Findings/ Change Management Strategy/ Approach
  - 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 <u>effective</u> 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