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DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES | *KA ʻOIHANA LOIHELU A LAWELAWE LAULĀ*

OFFICE OF ENTERPRISE TECHNOLOGY SERVICES | *KEʻENA HOʻOLANA ʻENEHANA*
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June 17, 2026

The Honorable Ronald D. Kouchi
President of the Senate
and Members of the Senate
Thirty-Third State Legislature
State Capitol, Room 409
Honolulu, Hawaiʻi 96813

The Honorable Nadine K. Nakamura
Speaker and Members of the
House of Representatives
Thirty-Third State Legislature
State Capitol, Room 431
Honolulu, Hawaiʻi 96813

Aloha Senate President Kouchi, House Speaker Nakamura, and Members of the Legislature:

Pursuant to HRS section 27-43.6, which requires the Chief Information Officer to submit applicable independent verification and validation (IV&V) reports to the Legislature within ten days of receiving the report, please find attached the report the Office of Enterprise Technology Services received for the State of Hawaiʻi, Department of Human Services, Systems Modernization Project.

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

Sincerely,

Christine M. Sakuda
Chief Information Officer
State of Hawaiʻi

Attachments (2)

State of Hawaii
Department of Human Services
HANA Modernization Project

Monthly IV&V Report: March 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)

Executive Summary

- The System Integrator (SI) continues to refine the project schedule. However, current efforts are focused on process realignment aimed at better structuring the work to provide a more stable foundation for schedule development. IV&V notes that the SI has made good-faith progress in further unpacking the business processes. Although these outputs are still being refined and are not yet fully consumable, they indicate a constructive direction toward improved process maturity.
- The SI continues its shift to a use case centric delivery model aligned with business value rather than the fulfillment of technical tasks. They are further refining the process to better prepare for Joint Application Requirement (JAR) sessions, with a focus on thoroughly understanding business processes and clear recommendations on how they should integrate them to the Power Platform architecture. The current process improvement effort includes incorporating lessons learned from previous JAR sessions to improve from open-ended discovery to a more structured, time-bound sessions, targeting a 9 week delivery cycle per use case. IV&V finds this cycle to be excessively long.
- SI deployed a HANA Cloud instance in the eWorld Cloud, establishing a foundational infrastructure baseline enabling more direct access, less communication delays, and allows geographically distributed teams to collaborate more efficiently in parallel.

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): Mar 2026

- Overall Project Health - Last 3 Months

Jan 2026	Feb 2026	Mar 2026
▲	▲	▲

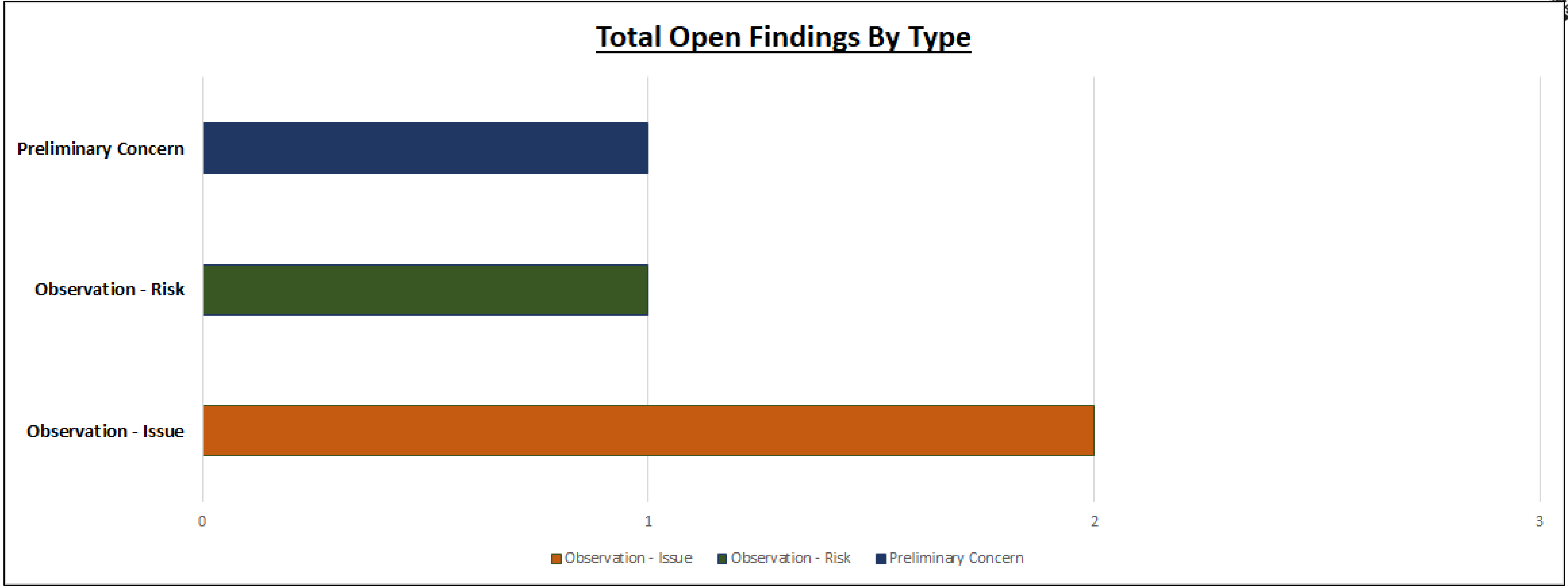
- Project health by Task Groups - Last 3 Months

Task Group	Jan 2026	Feb 2026	Mar 2026
Project Management	▲	▲	▲
Technical Discovery / Pods	▲	▲	▲
Requirements	⬢	⬢	⬢
Solution Design	◆	◆	◆
Configuration & Development	◆	◆	◆
Testing	◆	◆	◆
Interfaces & Data Conversion	◆	◆	◆
Integration	◆	◆	◆
Deployment	◆	◆	◆

LEGEND FOR ASSESSMENT

●	**Satisfactory** – No Corrective Actions Needed
▲	**Caution** – Possible Corrective Actions Needed
⬢	**Critical** – Escalated for immediate action
◆	Not enough data is available

Findings At a Glance: March 2026



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

IV&V Risk Identification Report (Del. 6): March 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 – **ISSUE**	Schedule	**Project Lacks Baselined Schedule** **3/31/2026: The SI remains is in a pre-baselining stage, focusing on defining a structured approach for requirement development including how use cases will be elaborated, reviewed and validated with agency SMEs and leadership, and advance to a development-ready state. This effort includes establishing a time-bound cycle targeting 9 weeks processing time per use case.** 2/28/2026: 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.	1	3	5	15	Without an accurate baselined schedule the SI team is unable to measure progress and identify late activities and their impact. IV&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.

IV&V Risk Identification Report (Del. 6): March 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 – **ISSUE**	Requirements	**JAR Session, Requirements, and Use Case Development Effectiveness** **3/31/2026:The SI continues to refine its approach to requirements development process with a goal to help stakeholders better understand and validate their needs during requirement sessions. While process refinement is ongoing, the team is also advancing the underlying work by drafting and internally refining use case materials in preparation for solution framing sessions and subsequent client-facing JAR sessions.** **Additionally, The SI appears to be pursuing a clearer breakdown of Core Services and Core Entities, (which were previously ambiguous), as well as moving toward a more time-boxed approach for use case elaboration with clients, targeting a 9 week cycle from use case development to design.** **All these efforts indicate a positive direction. However, IV&V is cautious, as the approach remains largely conceptual at this point, and will continue to monitor End to End process effectiveness as it's executed and validated through feedback and measurable results.** 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. 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.	1	3	3	9	As requirements and requirements traceability are integral to the HANA solution, it is paramount that the JAR sessions establish a collaborative effort with DHS and the SI, to ensure that requirements are well formed, enumerated in use-cases, and agreed to by both parties. IV&V recommends that an appropriate amount of time is allocated in the project schedule for this important effort and ensure that this process will elicit the full set of requirements for the HANA modernization project. IV&V also recommends that DHS considers reviewing the JAR processes for potential improvements after the first few sessions are executed.

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

No.	Risk, Issue, Preliminary Concern	Category	Title, Date, Description	Priority	Probability	Impact	Exposure (Probability X Impact)	Recommendation
202508-03	Observation – **Risk**	Budget	**Budget Management** **3/31/2026: No significant changes were observed during this reporting period. Based on continued alignment with the previously stated commitments, IV&V will close this risk and will reassess if conditions change in future reporting periods.** 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&V assesses that the likelihood of this risk materializing is lower and has therefore downgraded its priority.	2	1	3	3	Previous IV&V recommendation to enhance the budget data to clearly delineate M&O and DD&I expenditures has since been completed IV&V also recommends analyzing the budget for its sufficiency given the remaining contract budget for the base period

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

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No.	Risk, Issue, Preliminary Concern	Category	Title, Date, Description	Priority	Probability	Impact	Exposure (Probability X Impact)	Recommendation
2025-11-25	Preliminary Concern	Requirements	**Unclear Customization Needs** **3/31/2026: No significant changes were observed during this reporting period. The SI continues to focus on foundational process development and aligning teams to the requirement discovery approach.** **Accordingly, the extent of customization needs arising from gaps between As-Is and To-Be processes, as well as differences between the legacy and target systems remains unclear as additional gaps are still being discovered.** **As the SI develops a better understanding of requirements, the extent of customization can be more accurately measured.** 2/28/2026: No changes were made to the clarity 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.	**TBD**	**TBD**	**TBD**	**TBD**	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 IV&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. In parallel, the project should continue refining core business requirements to define the minimum functionality the new system must support. 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.

IV&V Status Report: March 2026

Task Area: Project Management

- Project Plans In Progress.
  - The Project Management Plan hasn't yet been completed with no indication of progress during this reporting period. The Project Management Book of Knowledge (PMBOK) considers this a foundational element on which requirements analysis activities, which is currently ongoing, should be built. Without it, the project is operating without a framework for execution and control.
  - Although no visible progress has been made on the Project Plan, meaningful groundwork is underway that is expected to support a more realistic estimation of the plan. These efforts include progress in quantitatively measuring scope and defining measurement methods. IV&V assesses that important groundwork continues in the background, and overall project management performance has remained consistent. Overall, the Project Management rating remains **Yellow** for this reporting period.

Task Area: Requirements

- Ongoing Requirements Elaboration
  - The project is currently focused on refining the requirements elaboration approach and aligning teams to the new approach. As this refinement continues, team structures are being reorganized and work is being redistributed, reflected in the creation of new pods and reassignment of responsibilities. The SI has established several new Pod delivery teams, including Financial, Document Services, and Special Functions, branching out from the previously broad "Core Services" pod. While this may introduce some volatility in team structure, it may also indicate efforts to better organize works within "Core Services" which appeared to function as a catch-all category. Overall, the absence of a defined requirements baseline continues to drive uncertainty in cost and schedule; therefore, the Requirements rating remains **Red** for this reporting period.

IV&V Status Report: March 2026

Task Area: Technical Discovery/ Pod

Pod Team	Activity Summary
User Access Management	Continuing to refine the use cases and update supporting documentation.
Core Entity	Preparing for Solution Framing sessions while mapping legacy Oracle database tables to target Dataverse entities to better understand data structure and inform migration approach. These efforts appears to be primarily focused on identifying and refining the realistic scope as the full extent of the project remains under discovery.
Special Function: Clearance	Activities are largely focused on technical configuration, including UI behavior plugins, and integration discussions. In contrast, less evidence of progress in understanding and refining underlying business processes and functional requirements
Core Services	Current activities appear to be mostly focused on front-end UI behavior and configuration logic (Dynamic form rendering and template versioning.)

IV&V Status Report: March 2026

Task Area: Technical Discovery/ Pod (Continued)

Pod Team	Activity Summary
Data Service (Code Table/ Data Conversion)	Prototype-level QA and validation activities are being performed, including verification that dropdown values align with the database and documentation. However, there is limited evidence of substantive data services work, likely due to upstream dependencies not yet being fully established (Unclear definitions of Core Services and Core Entities and the absence of an agreed target data model.)
Messaging Service	Formal requirement elaboration activities appears not to have been established yet. Focused on clarifying requirement.
Platform	Continuing efforts to establish foundational DevOps capability. However, appears the rest of the project isn't mature enough yet to fully utilize the capability yet.
Notes and Activity Management (NAM)	Continuing on use case review and refinements (Reviewing alert use cases, verifying alignments with requirements and developing documentation)

IV&V Status Report: March 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): March 2026
Meetings and Other Sessions attended

Date	Meeting Name	Meeting Owner
3/2, 3/16	Bi-Weekly HANA Modernization Technology Checkpoint	eWorld
3/11, 3/18, 3/25	eWorld, DHS, IV&V Sync meetings	Mark Osman, eWorld, IV&V
3/12	HANA Mod Project: TMS IV&V Report Review	IV&V
3/5, 3/12, 3/19	Weekly HANA Modernization Status Meeting	Mark Osman, eWorld
3/6	IV&V Weekly Meeting (TMS, N. Ekimoto, S. Nakasone, M. Choi)	IV&V

IV&V Status Report (Del. 11): March 2026
New Deliverables Reviewed

DED or Document?	Deliverable Name	Date Submitted	Date First Reviewed	Date Reported
DED	HM Requirements Traceability Matrix (RTM)	3/20/2026	3/27/2026	

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

Planned Activities for Next Month (April2026)

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

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

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

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

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

- **OCM currently in the assessment phase**
  - The OCM assessment report is currently in finalization.
  - Delivery of OCM plan presentation in April Reporting Period.

Appendix A - Ratings Definitions

IV&V Findings

Indicator	Priority	Description	Criteria
1	Priority 1	Concerns and Observations ranked as Priority 1 are those that IV&V expects will yield **significant** opportunities for improvement or corrective action for the HANA project.	Critical that the Project resolve immediately and that pose a **significant** threat or impact to the project.
2	Priority 2	Concerns and Observations ranked as Priority 2 are those that IV&V expects will yield **moderate** opportunities for improvement or corrective action for the HANA project.	Essential that the Project resolve as soon as possible and that pose a **moderate** threat or impact to the project.
3	Priority 3	Concerns and Observations ranked as Priority 3 are those that IV&V expects will yield **minor** opportunities for improvement or corrective action for the HANA project and are focused primarily on conforming to existing standards or processes.	Important that the Project resolve within a reasonable timeframe, given other project priorities, and that pose a **minor or limited** threat or impact to the project.

Task Group Measurement Criteria

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

Appendix B - Ratings Definitions – Risk Exposure

Risks

Impact

How severe would the outcomes be if the risk occurred?

Probabiity

What is the likklihood 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