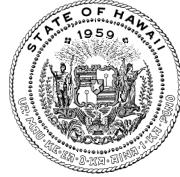


JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



DEPT. COMPTROLLER 25

KEITH A. REGAN
COMPTROLLER
KA LUNA HO'OMALU HANA LAULĀ
CHRISTINE M. SAKUDA
CHIEF INFORMATION OFFICER
LUNA 'ENEHANA

STATE OF HAWAI'I | KA MOKU'ĀINA O HAWAI'I
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES | KA 'OIHANA LOIHELUA LAWELAWE LAULĀ

OFFICE OF ENTERPRISE TECHNOLOGY SERVICES | KE'ENA HO'OLANA 'ENEHANA
P.O. BOX 119, HONOLULU, HAWAII 96810-0119

November 13, 2025

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 blue ink signature of Christine M. Sakuda.

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: September 2025

- Assessment Report (Del. 4)
- Risks & Issues Report (Del. 6)
- Status Report (Del. 11)



Report Contents

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Executive Summary

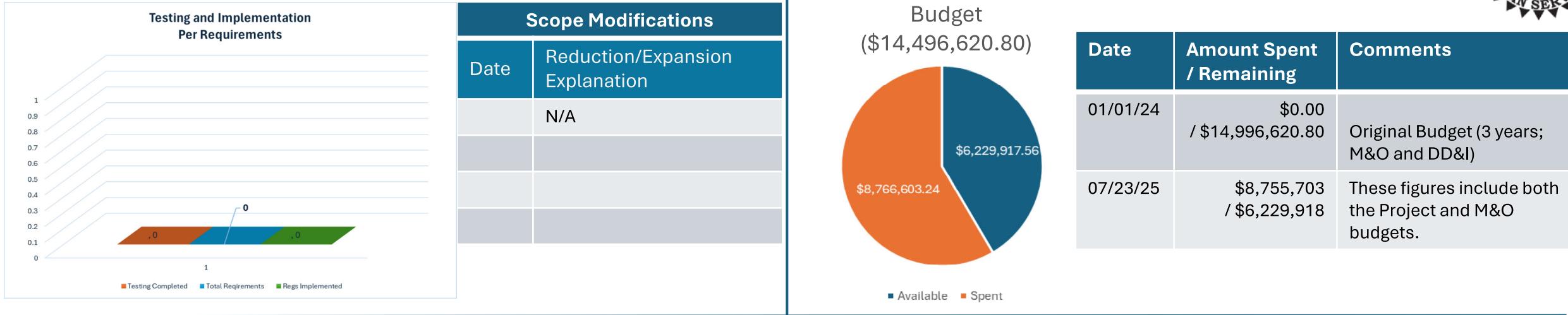
Major Activities in September 2025:

- DHS Interim Project Manager made permanent on the HANA Mod project.
- SI Vendor Project Manager continued to refine the Project Schedule, as well as updating existing tasks with progress measures. More modifications are being made to improve schedule management and ensure accurate reporting. Unfortunately, the schedule has still not been baselined.
- SI Vendor continued documenting As-Is system requirements internally and began planning for (external) Joint Application Requirements (JAR) sessions to be held with DHS Subject Matter Experts.
- Completed initial evaluation of the Dynamic Business Central Component for use as the finance and operations component for the solution.
- A “dry run” of an external JAR session was held with Entra as the focus, and feedback was gathered from DHS participants.



IV&V Main Dashboard HANA Mod - September 2025

At this point, there are no Testing/Implementation activities and no Scope Modifications.



Schedule Status

Schedule has not yet been baselined. IV&V has opened an Issue about this.



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

- Assessment of Project's health / performance:

July 2025	August 2025	September 2025
N/A	▲	▲

- Project Areas / Task Groups:

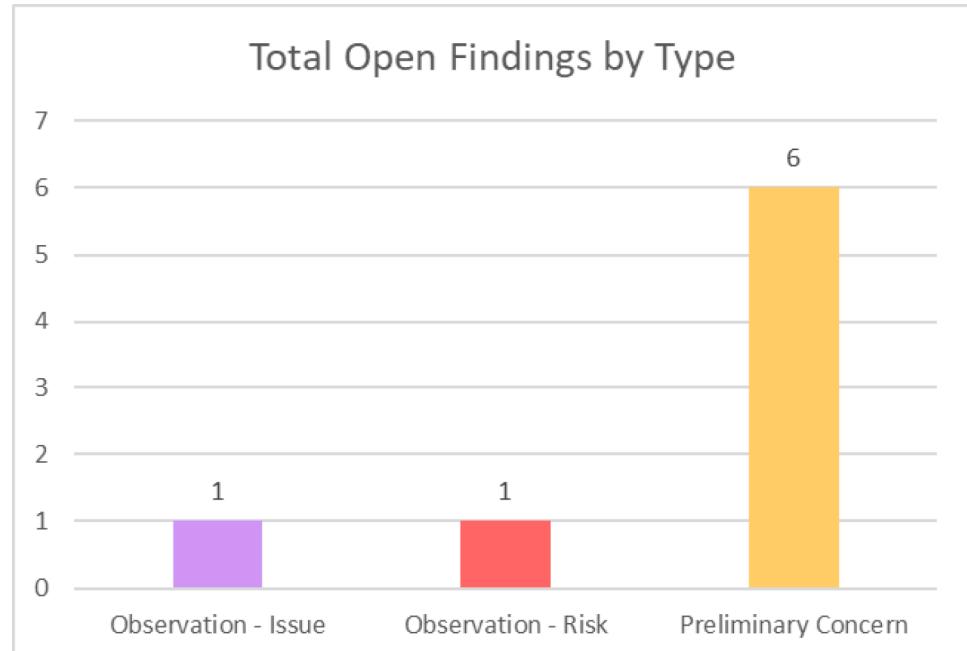
Task Group	July 2025	August 2025	September 2025
Project Management	N/A	▲	▲
Requirements	N/A	▲	▲
Design	N/A	◆	◆
Configuration & Development	N/A	◆	◆
Testing	N/A	◆	◆
Interfaces & Data Conversion	N/A	◆	◆
Integration	N/A	◆	◆
Deployment	N/A	◆	◆



Findings At a Glance: September 2025



8 Currently Open



- Two findings were escalated to Observations:
 - 1 to an Issue
 - 1 to a Risk (High)
- There are 6 open Preliminary Concerns.
 - Two Priority 1
 - Two Priority 2
 - Four Priority 3



IV&V Assessment Report: New Findings & Major Updates: September 2025

(Priority 1 Findings only)

Page 1 of 2



No.	Type	Category	Date: Title. Description	Priority	Source	Significance	Recommendation
202508-01	Observation – ISSUE	Schedule	<p>9/29/25: Schedule is being updated by the SI PM, and he is working to get all tasks into the schedule. It is not yet baselined but is being updated with progress for tasks being worked on. There are more adjustments needed to ensure quality schedule management.</p> <p>8/29/25: Schedule Status.</p> <p>The schedule was approved, focused on the next 90 days. However, it has not yet been baselined. Some of the schedule structure may need to change in order to depict an accurate critical path. The new PM is working on this, but no delivery date has been determined yet.</p>	1	Project Meeting	Without an accurate baselined schedule, the project team is unable to measure progress and identify late activities and their impact.	<p>IV&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. Target due date was end of September 2025. IV&V recommends taking all necessary steps to baseline at least the upcoming 90 days of the schedule.</p> <p>9/30/25: Because this continues to be a concern IV&V is upgrading it to an ISSUE. (See Slide 8)</p>
	Observation – RISK	Requirements	<p>9/29/25: A “dry run” for the external JAR sessions was performed, and feedback was provided to the SI vendor. Modifications are still needed before including the DHS business users in this process. The external JAR sessions were scheduled to begin on 9/18/25.</p> <p>8/29/25: Requirements Gathering Method for Enhancements.</p> <p>It is still not clear on the method(s) to be used to gather requirements for the “To-Be” state of the modernized HANA, which would include enhancements to current processes.</p>	1	Project Meeting	Without understanding what process will be used, it is difficult to determine the duration of this task, which has placed the schedule at risk. It could also result in incomplete requirements.	<p>IV&V recommends that the project team identify and document the process to be used to identify requirements for the To-Be/enhanced HANA business processes on the modernized system. Then ensure that an appropriate amount of time is included in the schedule and determine the impact to downstream tasks. Ensure that this process will elicit all requirements for the To-Be system.</p> <p>9/30/25: IV&V has escalated this to a RISK because the scheduled start for the external JAR sessions is currently at risk. (See Slide 8)</p>



IV&V Assessment Report: New Findings & Major Updates: September 2025

(Priority 1 Findings only)

Page 2 of 2



No.	Type	Category	Date: Title. Description, Updates	Priority	Source	Significance	Recommendation
202508-03	Preliminary Concern	Budget	<p>9/29/25: Financial information was provided by DHS on 9/5/25; it is the original 3-year budget, which covers both DD&I and M&O. IV&V needs to work with DHS to get more detail on SI vendor invoicing - dates, services provided, etc. It is currently unclear how monthly expenditures impact the DD&I portion of the contract budget.</p> <p>8/29/25: Budget Management Assessment Difficulty.</p> <p>Although the budget for the HANA Modernization Project has been identified and split from the M&O budget for the current SI Vendor's contract, the documentation does not specify the scope or timeframe for the project costs.</p>	2	DD&I Contract Review	Without access to the financial tracking records for the project, IV&V will be unable to report on budget status or risks except through interview(s) to get anecdotal evidence reports.	IV&V recommends that HANA Mod Project financial statements be shared with IV&V in order to assess spending and identify any potential risks.



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

New Risks and/or Issues*

Number	Date Identified or Escalated	Risk or Issue	Brief Description, Action Items/Decisions	Probability (1 Low, 5 High)	Impact (1 Low, 5 High)	Exposure (Prob x Impact)	Mitigation Recommendation
202508-01	9/30/25	ISSUE	<p>9/30/25: Because this continues to be a concern IV&V is upgrading it to an ISSUE.</p> <p>9/29/25: Schedule is being updated by the SI PM, and he is working to get all tasks into the schedule. It is not yet baselined but is being updated with progress for tasks being worked on. There are more adjustments needed to ensure quality schedule management.</p>	5	5	25	IV&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. Target due date was end of September 2025. IV&V recommends taking all necessary steps to baseline at least the upcoming 90 days of the schedule.
202508-02	9/30/25	RISK	<p>9/30/25: IV&V has escalated this to a RISK because the scheduled start for the external JAR sessions is currently at risk.</p> <p>9/29/25: A “dry run” for the external JAR sessions was performed, and feedback was provided to the SI vendor. Modifications are still needed before including the DHS business users in this process. The external JAR sessions were scheduled to begin on 9/18/25.</p>	3	4	12 HIGH	IV&V recommends that the project team identify and document the process to be used to identify requirements for the To-Be/enhanced HANA business processes on the modernized system. Then ensure that an appropriate amount of time is included in the schedule and determine the impact to downstream tasks. Ensure that this process will elicit all requirements for the To-Be system.

* All Risks and Issues are listed as “Observations” and identified as either Risk or Issue on the IV&V Findings Detailed Report.



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

Updates to Top Risks and/or Issues*



Number	Risk or Issue	Brief Description and Date of Update	Probability (1 Low, 5 High)	Impact (1 Low, 5 High)	Exposure (Prob x Impact)	Mitigation Recommendation
N/A	N/A	N/A	N/A	N/A	N/A	N/A

* All Risks and Issues are listed as “Observations” and identified as either Risk or Issue on the IV&V Findings Detailed Report.



IV&V Status Report: September 2025

Task Area: Project Management

- The project schedule has still not been baselined. The PM is getting updates from the project team and is still massaging the schedule to ensure all relevant tasks are included. IV&V recommended getting it baselined for several months; thus it has been raised to an Issue.
- Other PM activities are going well; Project Management documents are being updated, and Deliverable Expectation Documents (DEDs) are being prepared for future deliverables.

Task Area: Requirements

- A “dry run” of an external JAR session was held on 9/19, but there remain questions about the method to be used to confirm To-Be requirements with the Business Users. IV&V has raised this to a “High” Risk and continues to monitor activities and progress.



IV&V Status Report: September 2025

Task Area: Design

- The SI team completed a Proof-of-Concept (PoC) using Business Central for the finance and operations components of the solution. They are running additional PoCs to determine other optimal solution components.
- The SI team is actively advancing several key technical initiatives to enhance the security, data, and application infrastructure. These include:
 - Integrating Azure Entra External ID into Power Apps.
 - Developing Entra/Security/IAM Web App (10% complete).
 - Prototyping Messaging Services architecture.
 - Establishing HANA System in eWorld; defining HAWI Integration strategy.

Task Area: Configuration & Development

- Not applicable at this point





IV&V Status Report: September 2025

Task Area: Testing

- Not applicable at this point



Task Area: Interfaces and Data Conversion

- DHS continues to press for thorough research into how the HANA Mod project will impact and be impacted by other projects or systems and the SI Vendor is planning additional discussions focused on this topic.



IV&V Status Report: September 2025

Task Area: Integration



Task Area: Deployment

- Not applicable at this point



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

Meetings and Other Sessions attended



Date	Meeting Name	Meeting Owner
9/2, 9/12, 9/19, 9/26	eWorld, DHS, IV&V Sync meetings	Mark Osman, eWorld
9/9, 9/12	Document Review / Comment Resolution meetings	Nick Ekimoto, DHS
9/15, 9/25	Bi-Weekly HANA Modernization Technology Checkpoint	Rama Kodumagulla, eWorld
9/4, 9/11, 9/18, 9/25	Weekly HANA Modernization Status Meeting	Mark Osman, eWorld
9/5, 9/19	IV&V Bi-Weekly Meeting (TMS & M. Choi)	Terrie Ray, TMS
9/11, 9/25	IV&V Bi-Weekly Meeting (TMS & S. Nakasone)	Terrie Ray, TMS
9/19	Entra – Conduct External JAR(s) Dry Run	Mark Osman, eWorld



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

New Deliverables Reviewed



DED or Document?	Deliverable Name	Date Submitted	Date First Reviewed	Date Reported
DED	HANA Mod Roll Out Plan DED	9/24/25	9/30/25	10/1/25
Document	HANA Mod Quality Management Plan (NEW)	9/24/25	9/30/25	10/1/25
DED	HANA Mod Organizational Change Management Plan DED	9/24/25	9/30/25	10/1/25



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

Planned Activities for Next Month (October)



Description	Planned Start	Comments
Review Project Deliverables	10/01/25	See next slide for details.
Continue Weekly Meetings IV&V, DHS PMO, and eWorld	10/03/25	
Consolidate meetings with S. Nakasone, M. Choi, and N. Ekimoto to weekly on Fridays	10/03/25	Changed from individual bi-weekly meetings to joint weekly meetings.
Attend all relevant Project Meetings	10/01/25	



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

Deliverables for Initial IV&V Review Next Month



DED or Deliverable?	Deliverable Name	Date Expected	Comments
DED	HANA Mod Deployment Plan DED	9/19/25	Not Received
DED	HANA Mod Project Close Out Plan DED	9/19/25	Not Received



Organizational Change Management (OCM)

IV&V Report: September 2025

- Stakeholder Solution User Groups w/OCM activities completed so far for each group

An OCM contact has not yet been provided to IV&V, so no User Groups or activities are known.

Leadership Involvement

- Organizational Roles of State sponsors
- Record of any change/turnover in sponsorship
 - Scott Nakasone, Sponsor
 - Mark Choi, Technical Sponsor
 - Scott Morishige, Product Owner

Vendor Team

- Roles contractually committed to project
- Any baseline vendor roles currently INACTIVE
- Record of turnover for each vendor role
 - Bhanu Vellanki, Executive Sponsor
 - Raja Rangarajan, Engagement/Delivery Mgr.
 - Rama Kodumagulla, Product Owner
 - Lance Murata, Account Exec
 - Mark Osman, Project Manager

State Team

- Original baseline State project roles assigned/needed
- Any baseline State roles currently INACTIVE
- Record of turnover for each state role
 - Nick Ekimoto, DHS Project Manager





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

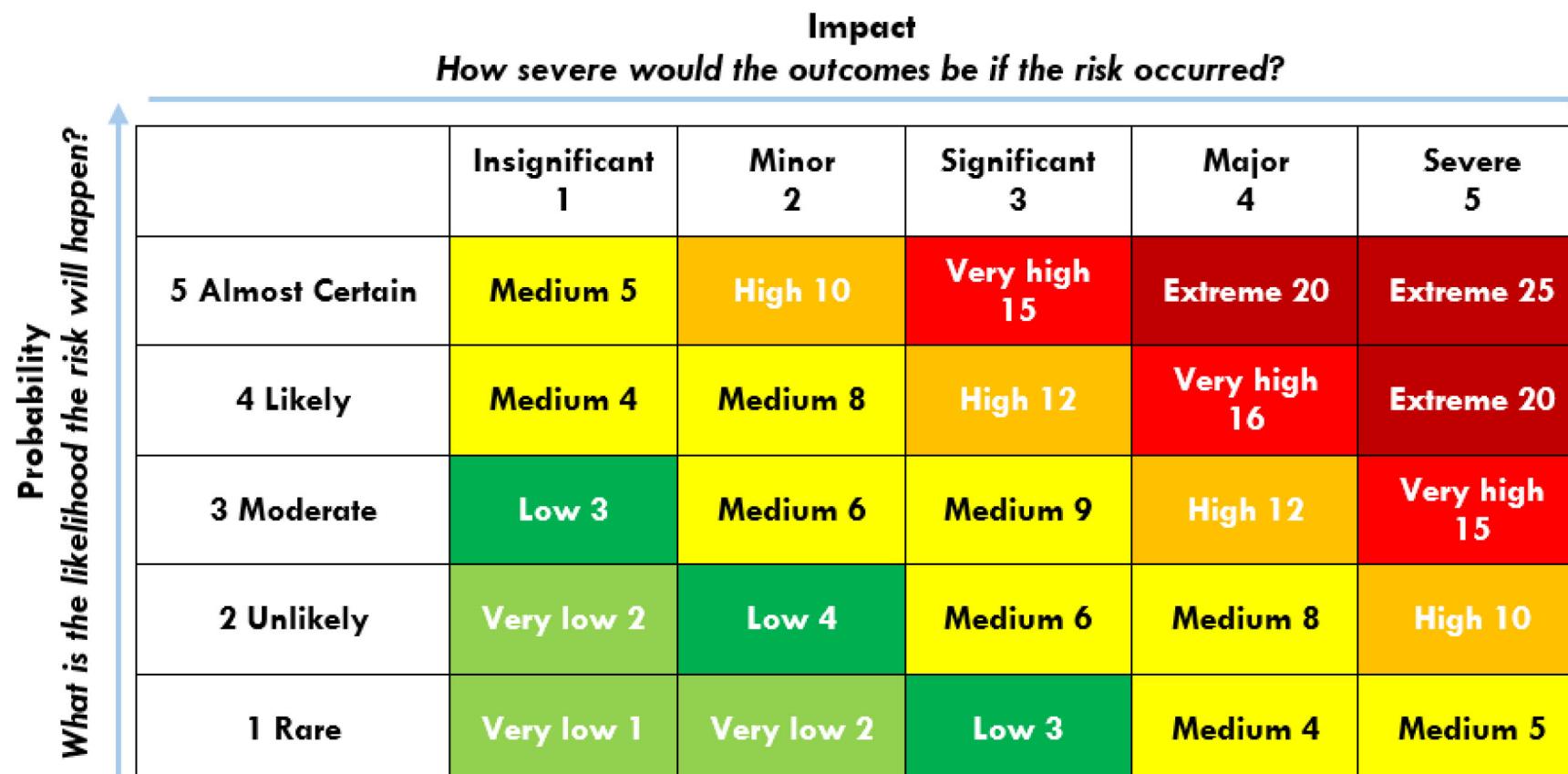
Legend for Task Group Assessment							
	Satisfactory – No corrective actions necessary. All life cycle activities conform to requirements. Standards, practices and conventions are satisfactory. Risks or issues may exist and contain appropriate mitigation or resolution steps and the project is adequately addressing them. The current 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. 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 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 risk to the project and software quality is significant .		Not enough data is available to make a <u>determination</u> about project health.



Ratings Definitions – Risk Exposure



Risks





HANA Modernization Project Summary

pg. 1 of 3



DHS/BESSD is currently in the process of executing an agreement for vendor services to perform maintenance and operations on applications that have been developed and implemented utilizing DHS enterprise tools, such as a child care grant management portal and on-line child care application portal, and building upon these applications to design, develop and implement a functional modernized version of the HANA system. The following are the required services to be performed by the HANA Modernization Project vendor:

The HANA Modernization Project vendor shall leverage existing systems, services, platforms, and core technologies of the DHS enterprise platform, including all configuration, integration, and enhancements, by supporting and developing the following:

- A. Public Portal for Child Care, TANF work programs, and Employment and Training programs and benefits.
- B. Online Application In-take. Variable and intelligent application which is variable depending on applicant response.
- C. Provider support, management, and relevant payment issuance.
- D. Client support, management, eligibility, determination, and relevant payment issuance.
- E. Program, benefit, participation rate, payments and financial data management and reporting.
- F. Ad-hoc enhancements.
- G. Provided application design services including:
 - 1. Application, functional and technical design sessions;
 - 2. Use of wireframes; and
 - 3. UI/UX standards.
- H. Provide support and development in the following programming languages and platforms:
 - 1. Java – J2EE;
 - 2. Javascript – Spring Framework;
 - 3. Microsoft PowerApps and Dynamics; and
 - 4. Other Low-code platforms.



HANA Modernization Project Summary

pg. 2 of 3



I. Provide support and develop application interfaces:

1. WSDL;
2. REST;
3. API management systems such as Boomi and Apigee;
4. SFTP;
5. IRS; and
6. Other State of Hawaii Departments.

J. Provide support and develop integration to DHS enterprise document management (EDM) based on DHS tools and software:

1. FileNet, enterprise document management platform;
2. DataCap, enterprise OCR, ICR and workflows:
 - a. Optical Character Recognition:
 - i. Full page;
 - ii. Field level;
 - iii. Documents; and
 - iv. Images;
 3. Object storage for documents and images;
 4. Scanning including experience with State Xerox devices in use at DHS offices statewide and integration with FileNet;
 5. DataCap workflows or programs to process documents and images; and
 6. FileNet Content Navigator.



HANA Modernization Project Summary

pg. 3 of 3



K. Provide support and develop future child care navigation services using Geographical Information Systems (GIS) with preference for State of Hawaii standard ESRI:

1. GIS and mapping platforms;
2. Mapping of education and childcare provider facilities statewide that may be used for child care programs; and
3. GIS layers for facilities, high-resolution imagery, and relevant meta data.

L. Provide support and development to integrate with help desk and service desk for child care clients needing assistance with programs, benefits, and applying for assistance. Integration may come from various access points such as phone, webform, and email.

M. Provide testing and user acceptance testing that shall include the following services:

1. Requirements traceability;
2. Test cases;
3. Test scripts;
4. Manual and Automated testing;
5. ADA compliance and testing; and
6. Assisting in User Acceptance Testing (UAT).

N. Provide training to DHS user acceptance and training staff for application system enhancements and modifications.

O. Provide support, development services and functionality for Limited English Proficiency (LEP).

P. Provide support, development, and integration of Artificial Intelligence (AI) services and functionality using DHS Enterprise tools currently used in production.