



February 14, 2024

Dr. Mary Hotvedt, President
Board of Regents, Western New Mexico University
1000 W College Ave
Silver City, NM 88061

Dr. Joseph Shepard, President
Western New Mexico University
1000 W College Ave
Silver City, NM 88061

Dear Board President Hotvedt and President Shepard,

I want to take this opportunity to acknowledge receipt of M. Karen Kilgore's correspondence dated January 19, 2024, regarding Western New Mexico University's representation by Cuddy & McCarthy and the university's response to our letter dated January 5, 2024. However, we find the response deeply lacking in addressing the seriousness of the allegations, which point to a concerning lack of internal controls and oversight at a publicly funded higher education institution in New Mexico. It is disappointing that Western New Mexico University's response amounts to a categorical dismissal of significant concerns raised by the New Mexico Higher Education Department. It is imperative that, moving forward, Western New Mexico University demonstrates a firm commitment to immediately address these issues.

The New Mexico Higher Education Department operates in accordance with state statutes to ensure accountability and transparency in the management of public educational institutions. We work diligently with all colleges, universities, and special schools to uphold the principles of higher education accessibility for all New Mexicans. However, recent revelations, including excessive international travel for recruitment purposes, call into question the university's fulfillment of its role as a regional comprehensive institution. Additionally, the university declined to perform a cost-benefit analysis as requested, claiming that the benefits of travel abroad and other expenditures were not quantifiable. However, such an analysis is possible, and, therefore, the New Mexico Higher Education Department (Department) will move forward with a compliance audit of Western New Mexico University under the authority provided by NMSA §9-25-8 "Secretary; duties and general powers" and §21-1-26 "Higher education department; general powers." Our agency's audit will cover all areas of concern noted in the following:

- The Department's letter to Western New Mexico University dated December 8, 2023
- The Department's letter to Western New Mexico University dated January 5, 2024
- Western New Mexico University's response letter to the Legislative Finance Committee dated January 25, 2024

In the coming weeks, the New Mexico Higher Education Department will formally notify the university of the compliance audit. This notification will outline expectations and serve to coordinate an entrance conference to initiate the audit process.

What is perhaps even more concerning is that Western New Mexico University appears to be under the impression that it can operate outside the boundaries of the New Mexico Procurement Code. For example, the university's letter dated January 19, 2024, seems to assert that Western New Mexico University, as a constitutionally enabled body, is exempt from the state's Procurement Code. The constitutional and