

# The Rising Cost of Climate Change in New Mexico:

A 2025 snapshot of how public budgets and New Mexican communities are paying the price

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For years, we've been told that protecting our families and children from the harmful impacts of climate change is too expensive. The reality is that climate change is already costing New Mexico economically, socially, and environmentally. If we don't act now, our families and communities will continue to suffer from wildfire destruction, water shortages, infrastructure damage, lost income, and increasing demands on state and local budgets.

This memo summarizes findings from a first-of-its-kind dataset analyzing state-level climate costs presented during New Mexico's 2025 legislative interim session. It tells a clear story: climate impacts already hurt people across the state, and the public is paying for it – through disaster response, reforestation costs, health harms, and infrastructure repairs.

The [Costs of Climate Change Dashboard](#) is an interactive tool that allows users to explore the full dataset by geography, climate impact, and sector impact.

## Methodology

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To build this dataset, Single Space Strategies:

- Manually reviewed all presentations and agendas from relevant 2025 interim legislative committees
- Identified presentations that included climate-related impacts and associated state costs
- Focused only on state-level costs, excluding federal funds
- Standardized data across categories such as:
  - Climate Impact Type
  - Cost Estimate
  - Affected Region
  - Sector Affected
  - Cost Type
- Allocated statewide or multi-county costs proportionately by population for regional tracking\*
- Where applicable, tax credits were included in the cost analysis as revenue losses to the state.

All data is visualized in our public interactive [Costs of Climate Change Dashboard](#).

\*Note: While climate-related costs were allocated proportionally by population for regional tracking, this approach does not fully capture the disproportionate health and environmental burdens borne by communities in oil- and gas-producing regions, where climate-related harms are often more concentrated and severe.

# Key Findings from the FY25 Costs of Climate Change Dashboard

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## Total Climate-Related Costs:

Across dozens of committee hearings, our team identified **more than \$4.09 billion** in climate-related state costs that affect all regions and sectors of our state economy.

## Top Sources of Climate-Related Costs:

- **Fossil Fuel Industry:** \$1.2 billion towards plugging, decommissioning, monitoring, remediation, and reclamation of former sites of oil and gas and coal plants.
- **Water & Drought:** \$1.2 billion toward groundwater mapping, emergency water hauling, acequia repair, drought support for agriculture, and infrastructure upgrades for water conservation and delivery.
- **Extreme Weather:** \$1.1 billion toward flash flood recovery, infrastructure repair, disaster response, and planning to reduce future storm impacts on communities and transportation systems.
- **Wildfire & Post-Fire Recovery:** \$282.6 million toward wildfire response, post-fire flooding damage, reforestation and seedling production, disaster relief, and long-term forest and watershed restoration.

The remaining \$269.5 million in costs impacted ecosystems and natural resources, the urban and built environment, governance capacity, and energy transition and grid resilience.

## Public Funding Sources:

- **General appropriations:** \$1.8 billion
- **Special appropriations:** \$757 million
- **Emergency funding:** \$338 million
- **Capital outlay:** \$660 million
- **Revenue loss:** \$537 million

## Economic Sectors Affected:

- **Energy & Utilities:** \$783.7 million including costs related to energy infrastructure, clean energy transition, and grid resilience such as electric grid modernization and energy burden reduction programs.
- **Agriculture & Land Management:** \$206.8 million including costs related to land-based livelihoods, land restoration, and rural economies such as drought assistance for farmers and ranchers and post-fire land rehabilitation
- **Infrastructure & Transportation:** \$326.6 million including damage and adaptation costs related to built infrastructure such as road and bridge repairs after extreme weather and flood control infrastructure

- **All Sectors/Statewide Economy:** \$2.3 billion including large-scale or cross-cutting costs that affect multiple sectors, counties, or the entire state such as statewide disaster relief funding or broad water infrastructure upgrades.

**View the full interactive dashboard:** [Costs of Climate Change Dashboard](#)

It is worth noting that the costs documented here do not include the far larger, long-term climate damages enabled by fossil fuel development on public lands. One such data point alone – \$40.8 billion in FY25 lease auction revenues presented to the Water & Natural Resources Committee in October – exceeds all other tracked costs combined. While costs like these are an outlier in this dataset, they underscore the scale of the climate risk New Mexico continues to carry forward.

## Regional Disaster Impacts

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- **Northeastern NM:** \$100+ million allocated to rebuild infrastructure after the Hermits Peak/Calf Canyon Fire and the South Fork Fire with millions more for follow up repairs.
- **Southeastern NM:** \$100+ million in extreme weather impacts alone in Chavez, Lea and Eddy counties.
- **San Juan County:** More than \$703 million in fossil fuel industry impacts.
- **Tribal Communities:** Funding awarded for water rights settlements and fire recovery, such as \$2.5 million to Mescalero Apache Tribe.

## Opportunities for Action

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By grounding policy discussions in past costs, this dataset pushes lawmakers toward climate policy action in the ongoing 2026 legislative session:

- Prioritize policies that address root-cause sources of greenhouse gas emissions to reduce future climate impacts and recovery costs
- Invest in programs that provide mutual economic benefits to reducing carbon emissions: water savings, energy savings, clean energy-sector job growth, and disaster resilience
- Shift from reactive to proactive decision-making, especially in forest, water, and infrastructure systems that increase carbon sequestration and resilience.

## Conclusion

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Climate change is a current economic burden in New Mexico that strains public budgets and harms our communities. This memo provides a foundation for ongoing conversations and urgent action in the 2026 legislative session. We urge the New Mexico Legislature to reduce harmful pollution, plan ahead, reduce long-term risks, and avoid higher climate-related costs in the future.

# Stories Behind the Numbers

**“Disaster is a permanent state of being in our communities now. We can’t think of it as a one-time thing.”**

*– Paula Garcia, New Mexico Acequia Association presentation to the Water & Natural Resources Committee, July 1, 2025.*

## Disproportionate Impact in Oil & Gas Regions

While statewide costs were allocated proportionally by population, the counties in the Permian Basin and Four Corners region—such as Lea, Eddy, San Juan, Chaves, and Rio Arriba—consistently rise to the top of total climate-related impacts in our dataset.

This stands out because Bernalillo County holds about 30% of the state’s population, yet shows lower per capita climate-related costs in this analysis.

This discrepancy highlights a disproportionate burden on families most closely tied to oil and gas development, where communities are:

- Facing compounding costs from climate-driven events like droughts and wildfires
- Experiencing higher rates of pollution-linked health harms, such as increased rates of asthma and other lung diseases, and
- Bearing the environmental consequences of both climate change and fossil fuel production.

These counties generate a large share of the state’s fossil fuel revenue, but the families and children that live there are paying a steep price in public health, infrastructure damage, and ecosystem degradation.

## Reforestation After Megafires: \$38.5 million and Counting

In 2022, the Hermits Peak/Calf Canyon Fire burned over 340,000 acres in San Miguel, Mora, and Taos counties, decimating forests and watersheds. In the aftermath, the state spent **\$38.5 million** to launch the New Mexico Reforestation Center at NMSU to address a growing crisis: fires are burning so hot and so frequently that natural forest regeneration is no longer possible in many areas. The Center was created to scale up seed collection, nursery capacity, and research needed to replant and restore severely burned landscapes before they permanently convert to grasslands.

*“The idea behind the work we’re doing is that once we have a fully developed New Mexico Reforestation Center, we’re able to produce five million seedlings a year [...] so that we can start to address the backlog of severely burned areas that we’re facing.”*

*– Matt Hurteau, Department of Biology, University of New Mexico presentation to the Water & Natural Resources Committee, July 2, 2025*

## The Hidden Cost Beneath Our Feet: Groundwater Mapping

In 2025, the state committed **\$7.5 million** toward statewide aquifer mapping. With over 90% of New Mexicans reliant on groundwater for drinking water, climate change is putting our water under increasing stress, from reduced snowpack and rainfall to increased demand during drought. Statewide aquifer mapping is essential to understand where water remains, how it's shifting, and how to protect it for future use.

*“What’s really important for this committee to be thinking about is how [aquifer mapping] improves our decision making and our long-term investments [...] this is a desert state and we really have to carefully manage the limited water resources that we have.”*

– Stacy Timmons, Bureau of Geology and Mineral Resources, New Mexico Institute of Mining and Technology presentation to the Economic & Rural Development & Policy Committee, August 11, 2025

## Drought and Ranching: A Dual Economic Hit

Ranchers in New Mexico face **over \$100,000** in annual private costs just to survive worsening drought conditions from climate change, paying for hauled water, supplemental feed, replacement livestock, and damaged infrastructure. Meanwhile, the state is spending millions on drought relief and infrastructure.

*“Drought is the number one factor impacting New Mexico’s ranching industry.”*

– NM Department of Agriculture presentation to Legislative Finance Committee, May 13, 2025