

Rising to the Budgeting Challenge

AN INTERVIEW WITH LAURA LARSEN



Jara Kern, writer with Right Angle Studio, spoke with **Laura L. Larsen**, budget director for the City of Baltimore, Maryland, about her career journey in government budgeting, key differences between state and local government budgeting, and how municipal government leaders can best navigate labor challenges and uncertainty.

Laura began her career in government finance as a budget management analyst with the City of Baltimore, Maryland, before moving to the City of Madison, Wisconsin, as budget and program evaluation manager. She then became capital budget director for the State of Wisconsin, from 2020 to 2022, before returning to the City of Baltimore in September 2022 as budget director. She also serves on GFOA's Committee on Governmental Budgeting and Fiscal Policy.

Blending professional passion with public service

Laura traces her career arc back to her undergraduate experience at the University of Nebraska at Kearney, where she worked at the front desk for the Nebraska Game and Parks Commission. As a staff member, Laura worked with wildlife and fishery biologists and game wardens, and she saw firsthand the power of blending a professional passion with public service. "I saw up close what public service looks like and how you could make a career out of it in a number

of avenues," Laura recalled. "That's when I decided I wanted to pursue my MPA."

Laura enrolled in the University of Nebraska at Omaha's Master of Public Administration (MPA) program with the goal of working at the state or federal level in policy analysis. As she neared graduation, one of her professors urged her to cast a broader net. "She explained that a local government budget office can be an interesting place to work, with opportunities to learn a lot, very quickly," Laura explained. She applied for a budget analyst role at the City of Baltimore, a place she had never even visited.

Ultimately, she was energized by the type of team the budget office was working to create and the possibilities for growth in the job. “At the time, they took a leap of faith with me, and I took a leap of faith with them. I discovered I like to be in the place where everything comes together, where you can really be involved with different areas of service delivery.”

Laura reflected on why she needed a push to consider local government finance—and why others might, too. “People may not realize that in these positions, they could be doing analysis for big proposals with a major impact on their community or working with procurement or on big capital projects. The field is broad with many opportunities to do interesting work with real impact.”

A passion for budgeting

In 2015, Laura left Baltimore for the City of Madison to advance her career in a new role as budget and program manager. She found immediate similarities between Madison and Baltimore. Both cities were in the process of embracing new technology in the budgeting process. Forward-thinking leaders in both cities were working to leverage the budget process to engage the community and to enable innovation and improvement in service delivery.

As Laura discovered, though, working in the budget office in a growing city like Madison is very different than in Baltimore, which is grappling with population loss. She highlighted this difference by comparing infrastructure funding. “Madison has relatively new infrastructure that we were routinely updating, while Baltimore has aging infrastructure with high deferred maintenance. In Madison, we were borrowing \$182 million annually, backed by our general fund, for capital investment—and in Baltimore, a city three times larger, our annual borrowing for capital investment is \$80 million.”

In 2020, Laura took on a new role as capital budget director for the State of Wisconsin. This experience, too, opened her eyes to new differences and complexities in budgeting. “The dynamics around facilitating a capital budget process are much different than



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an operating budget.” She described positives like additional staffing to share the workload of the budget process, as well as challenges like additional layers of approval. “In local government, you have more autonomy and sometimes it’s easier to make changes,” she noted. “And you feel more connected to the impact of your decisions, as you can see them more readily in your community.” This experience, in addition to Laura’s connection to Baltimore, was instrumental in bringing her back east in September 2022 when she was hired for the budget director position, where she leads the 15-member team responsible for the city’s \$3.3 billion operating budget.

As she has built her career, Laura has learned that her favorite part of budgeting

is the opportunity to solve internal problems, making better service delivery possible. She pointed to a recent example with the Department of Housing and Community Development in Baltimore as a powerful breakthrough during her first year as city budget director. “Our housing commissioner was frustrated with how vacancies were accounted for in her budget. Together we were able to come up with a new approach that will ultimately allow the housing authority to better leverage their budget, while also getting more people into critical roles, and that in turn will enable better service delivery. In a city of this size, there are so many opportunities to use the budget process to help agencies solve real problems.”

Confronting budget challenges

Like many other communities, Baltimore is confronting key challenges that intersect with budget expenditures. Laura shared two as examples: balancing the budget amid ongoing uncertainty and unlocking the promise of evolving technology. Each presents particular complexity.

Being ready for the headwinds of an anticipated recession creates more questions than answers for the budget office. “We’re trying to figure out how we strike the right balance in the budgeting process, without being overly cautious or excessively optimistic,” Laura said. “These are pressures that are outside our control but would have a significant fiscal impact on the city.”

Like many other jurisdictions, Baltimore has been on the journey of ERP implementation, with a system that recently went live. “Technology changes how we can put the budget together and report on the city’s financials,” Laura stressed. “It shapes the whole process, what we can see happening in real time, and how it affects what comes back through the budget process.”

Laura has brought experience in implementing data-driven budgeting to her new role in Baltimore, as she led efforts to incorporate performance and data into the budget planning process for both the City of Madison and the State of Wisconsin. With perspective on both the pitfalls and promise, Laura commented on the keys to successful implementation. “The most important step is to find partners in the work, because if you’re going it alone as the budget director, people may think that this is a new way to try to cut their budgets.” These partners can include leaders, a planning department, or a data team.

She also counseled that success can be found in merging complementary workstreams. “In Madison, we brought together our data work and our effort to rewrite the city’s comprehensive plan. This helped stakeholders understand how data was going to inform priorities and turned the temperature down.” Laura also emphasized that creating an environment of trust will make it possible to collect meaningful metrics, which ultimately unlock data’s power to help us

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understand what is happening—and the reasons why.

Beyond the budgeting process, technology is also reshaping how the City of Baltimore approaches public engagement. Before the pandemic, most town hall and pop-up events were in person—and often done on what Laura described as an annual “drop in” basis. The city then shifted online through Zoom and other digital tools, which opened up new ways of thinking about public engagement. “Now, we are focused on how to build a strategy for ongoing communication with the community, from the early informational stage through feedback sessions.” The city is investing in this effort by hiring for a new position that will focus full time on public engagement, providing the capacity to sustain this effort year-round.

Hiring in a tight labor market

During her first year as budget director, Laura focused heavily on rebuilding a team ready to take on the challenges of navigating the post-pandemic period. Like many other employers, the City of Baltimore has struggled with higher-than-normal vacancy rates over the last two years. Laura noted that the current vacancy rate is 20 percent, compared to a pre-2020 normal of 10 to 15 percent.


A leaner team has created real challenges. “We went through this budget process at about a 50 percent staffing level, and now we’re onboarding a lot of people,” she explained. “And of course, it takes a time investment to find good candidates, hire them, and carve out the time to put them through a really good onboarding process so that they have the tools to be successful in their roles.”

When hiring budget staff, Laura values curiosity and drive. “There are so many things that come across our desks that we just don’t have the perfect answers for—but people look to our office for those answers. A high level of curiosity helps you dig in to find a way to solve the problem. I also look for someone who has the drive to do the best work at the standard we expect, to influence a clean, transparent decision-making process.”

Thinking back to her own entry into the field, Laura stressed that local governments could do more to build a talent pipeline. These efforts could range from building partnerships with educational institutions at the high school and college levels to clearly communicating the positives to overcome ingrained perspectives. “Sometimes people don’t understand that you can make a solid career out of working in local government finance, and you’re not going to have to make a compensation sacrifice for interesting work.”

Contending with uncertainty

Looking forward, Laura and her team are focused on improving the efficiency of how they collect budget proposals from agencies, streamlining the data collection that goes into tracking budget performance, and continuing to advance public engagement within the community.

In addition to her work in Baltimore, Laura serves on GFOA’s Committee on Governmental Budgeting and Fiscal Policy to update and create new best practices. “Budgeting is about making sure operations and dollars are connected, and the budget committee focuses on tools that can make this easier for organizations.” She described the committee’s intense focus over the last year on the topic of appropriate fund balance guidelines for the general fund. “As we go through uncertain times like these, we’ve learned how much government leaders rely on leadership like GFOA’s, particularly around how fund balance targets are established and what communities should aim for. It’s one more way that finance officers can be problem-solvers for their communities through budgeting.” 

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