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Editorial: Budget? Uh, not yet ...

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State legislators have now set the table for negotiations on a state budget. It's a table made out of balsa wood.

The governor, Democrats, Republicans, members of the Senate and Assembly are all far apart on how to close a \$15.2 billion deficit.

Technically, they have until July to figure it out, but the real deadline comes in August. That's when California is expected to run out of money, becoming the state of Vallejo.

The Senate unveiled its budget plan Wednesday. Unlike previous plans by the governor and Assembly, the Senate's doesn't depend on "securitizing" the state lottery to reduce the budget gap by roughly \$5.1 billion.

Senate leader Don Perata rightly notes it's irresponsible to make a July budget contingent on a lottery vote that would come in November.

Yet because the Senate jettisoned the lottery and only made a few billion dollars in cuts, its plan still leaves behind a \$11.5 billion shortfall, with no specified way of reducing it. Perata was blunt Wednesday that new taxes would be needed, but he declined to say which taxes he prefers. That's not leadership, and it doesn't give us confidence that a resolution will come any time soon.

A conference committee made up of Democrats and Republicans will now meet to reconcile differences between the two chambers. Don't get your hopes up. History suggests these conference committees are just pro forma exercises. The real show comes later when the Big Four meets.

This group includes Perata, Assembly Speaker Karen Bass, Senate Republican leader Dave Cogdill and Assembly Republican leader Mike Villines, possibly with the governor joining in the resulting quintet.

We'd like to think the current conference committee could be productive and resolve some issues, if not all of them. If legislative leaders were to get engaged and empower the conferees, that could happen. It needs to happen.

The clock is ticking on California's finances. If time runs out, it may justifiably cause a whole lot of political careers to expire.
