sell or the securities

PRELIMINARY OFFICIAL STATEMENT DATED APRIL __, 2011

This Official Statement does not constitute an offering of any security other than the original offering of the

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
COUNTY OF SACRAMENTO, CALIFORNIA

DISTRICT BOARD OF EDUCATION

Gustavo Arroyo
President

Patrick Kennedy
First Vice President

Ellyne Bell
Second Vice President

Jeff Cuneo
Member(Area 2)

Donald Terry
Member (Area 3)

Diana Rodriguez
Member(Area 5)

Darrel Woo
Member (Area 6)

Arthur Fong
Student Member

DISTRICT ADMINISTRATION

Jonathan Raymond

Patricia Hagemeyer
Chief Business Officer

PROFESSIONAL SERVICES

Bond Counsel and Disclosure Counsel

Orrick, Herrington & Sutcliffe LLP
San Francisco, California

Paying Agent

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(continued)

$_____*

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT

(SACRAMENTO COUNTY, CALIFORNIA)

INTRODUCTION

Notes for any period after maturity of the Notes during which the registered owner thereof fails to properly present said Notes for payment.

Form and Registration: The Notes will be issued in fully registered book-entry form only, in

registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Notes. Purchases of Notes under the DTC system must be made

Bankruptcy Risks

The opinion of Bond Counsel, attached hereto as Appendix A, is qualified by reference to bankruptcy,

Sacramento City Unified School District
(County of Sacramento, California)
2010-11 Tax and Revenue Anticipation Notes
Sources and Uses of Funds

Sources of Funds

Principal Amount of Notes	$
Original Issue Premium	
Total Sources	$

Uses of Funds

Net Deposit to Note Proceeds Fund	$
Underwriter's Discount	
Costs of Issuance[1]	
Total Uses	$

each district's State funding are affected differently. Under the rule of White v. Davis (also referred to as Jarvis v.

$450 million in savings from reduced general fund departmental hiring, and $130 million in savings from reduced

departmental operating costs related to the workforce cap. The budget also assumes the State will receive

$7.7 billion for school districts. These statutory factors are created to establish State intent to repay the K-12 per-pupil reductions in the future, including foregone cost-of-living adjustments ("COLAs").

- Defers an additional $2.1 billion in K-12 funds from 2011-12 to 2012-13. Specifically, the bill shifts $1.3

Requires the State to adjust the Proposition 98 calculation so that any shift in local property taxes

previously received by redevelopment agencies has no effect on the Proposition 98 minimum guarantee in 2011-12.

Although SB70 was passed by both houses of the State legislature, SB70 has not yet been sent to the

school district is the amount needed to reach that district's base revenue limit after taking into account certain other

In its fiscal year 2010-11 budget, the District estimates that it will expend approximately $332 million in

future benefits, an amount known as the "normal cost", which is added to the AAL. The report estimated the normal cost at $18.3 million for the year beginning December 1, 2008. To the extent that the District has not set aside

actuarial accrued liability (UAAL). This district currently funds the costs of retiree benefits on a pay-as-you-go basis, but has set aside $1.0 million to start prefunding an unfunded actuarial liability of $551 million. In addition, SCTA has agreed to contribute to liability through payroll contributions.

Sacramento City Unified School District
General Fund
Revenues, Expenditures and Fund Balances
Fiscal Year 2006-07 [1] Through Fiscal Year 2010-11[2]

	2006-07 Actual[1]	2007-08 Actual[1]	2008-09 Actual[1]	2009-10 Actual[1]	2010-11 Budget[2]
Revenue/Receipts					
State Aid	$186,387,196	$186,266,511	$176,744,988	$154,299,252	$163,754,023
Property Taxes	65,871,643	61,870,624	63,408,608	60,544,496	57,208,424
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	98,284,220	105,751,070	93,574,884	113,183,076	108,536,052

District Cash Flows

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Fund

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Exhibit II

Sacramento City Unified School District
Projected 2011-12 Cash Flow
General Fund
(Including TRAN Proceeds)

[To come from the District]

District Debt Structure

Tax and Revenue Anticipation Notes. To address predictable annual cash flow deficits resulting from the different timing of revenues and expenditures, the District has issued tax and revenue anticipation notes in each

the District's general fund and any other lawfully available moneys.

Issuance Date	Principal Amount	Interest Rate	Yield	Due Date
12/01/05	$25,000,000	4.50%	3.15%	12/01/06
12/14/06	24,475,000	4.00	3.30	12/14/07
11/28/07	30,000,000	3.75	3.27	11/28/08

General Obligation Bonds. The District's outstanding general obligation bonds are summarized in the table below.

Issue Name	Issuance Date	Principal Amount	Interest Rate	Due Dates
2001 Refunding Bonds	10/12/2009	$52,310,000	2.2%-5%	2011-2029
1999 Series B	03/27/2001	45,000,000	4.0-5.0	2011-2031

Capital Financing Plan

Capital Lease

Under current law, a school district governing board must adopt and file with the county superintendent of

County Superintendent of Schools (the "County Superintendent").

The County Superintendent must review and approve or disapprove the budget no later than August 15. The County Superintendent is required to examine the adopted budget for compliance with the standards and criteria

audit was concluded. The District is required by law to adopt its audited financial statements following a public

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

Article XIIIA of the California Constitution. Article XIIIA of the State Constitution, adopted and known as Proposition 13, was approved by the voters in June 1978. Section 1(a) of Article XIIIA limits the maximum *ad*

local taxes, assessments, fees and charges. The State Constitution and the laws of the State impose a duty on the

Article XIIIB also does not limit appropriation of local revenues to pay debt service on bonds existing or authorized by January 1, 1979, or subsequently authorized by the voters, appropriations required to comply with mandates of courts or the federal government, appropriations for qualified capital outlay projects, and appropriation

Under Proposition 13, an amendment to the State Constitution adopted in 1978, the assessed value of *ad*

year 1975-76 tax bill, or, thereafter, the appraised value of real property when purchased, newly constructed, or a

The following table shows *ad valorem* property tax rates for the last several years in a typical Tax Rate Area of the District (TRA 3-005). TRA-3-005 comprises approximately 25% of the total assessed value of taxable property in the District.

Sacramento City Unified School District
Summary of *Ad Valorem* Tax Rates
$1 Per $100 of Assessed Valuation
TRA 3-005

	2006-07	2007-08	2008-09	2009-10	2010-11*
General	$1.0000	$1.0000	$1.0000	$1.0000	$1.0000
Los Rios Community College District	.0072	.0066	.0074	.0124	.0090
Sacramento Unified School District	.0850	.0890	.0938	.0911	.0979
Total	$1.0922	$1.0956	$1.1012	$1.1035	$1.1069

Source: California Municipal Statistics, Inc.
* Total 2010-11 Assessed Valuation is $7,114,238,585.

Collections and of Tax Sale Proceeds (the "Teeter Plan"), as provided for in Sections 4701 and following of the California Revenue and Taxation Code. Under the Teeter Plan, each participating local agency, including the

District, levying property taxes in the County receives the amount of uncollected taxes credited to its fund in the same manner as if the amount credited had been collected, with the credit funded from a reserve established and held by the County for this purpose. In return, the County receives and retains delinquent payments, penalties and

Assessed Valuation by Land Use. The following table gives a distribution of taxable property located in

each use.

Sacramento City Unified School District
2010-11 Taxable Assessed Valuation and Parcels by Land Use [1]

	2010-11 Assessed Valuation [1]	% of Total	No. of Parcels	% of Total
Non-Residential:				
Commercial	$5,791,528,794	23.17%	3,545	3.49%
Industrial	1,441,270,422	5.77	1,269	1.25
Government/Social/Institutional	188,385,360	0.75	320	0.31
[illegible]	144,362,251	0.58	515	0.51

Largest Taxpayers

The 20 largest taxpayers in the District, ranked by aggregate assessed value of taxable property, as shown on the 2010-11 secured tax roll, and the amount of each owner's assessed valuation for all taxing jurisdictions within the District, are shown below.

Notice 94-84, 1994-2 C.B. 559, states that the Internal Revenue Service is studying whether the amount of the payment at maturity on debt obligations such as the Notes that is excluded from gross income for federal income

tax purposes is (i) the stated interest payable at maturity, or (ii) the difference between the issue price of the Notes and the aggregate amount to be paid at maturity of the Notes (the "original issue discount"). For this purpose, the issue price of the Notes is the first price at which a substantial amount of the Notes is sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or

disposition of, or the accrual or receipt of interest on, the Notes may otherwise affect a Noteholder's federal, state or

of the Noteholder or the Noteholder's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Future legislative proposals, if enacted into law, or clarification of the Code or court decisions may cause

As of the date hereof, the District has not failed to comply in all material respects with any previous undertakings

Absence of Material Litigation

Additional Information

approved by the Board of Education of the District.

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT

By:_____

APPENDIX A

[TO COME FROM BOND COUNSEL]

APPENDIX B

FISCAL YEAR ENDED JUNE 30, 2010

[TO COME FROM DISTRICT AND TO BE INSERTED AT THE TIME OF PRINTING]

APPENDIX C

FORM OF CONTINUING DISCLOSURE CERTIFICATE

[TO COME FROM BOND COUNSEL]

APPENDIX D

COUNTY OF SACRAMENTO
INVESTMENT POLICIES AND PRACTICES – INVESTMENT POOL QUARTERLY REPORT

The following information provides a general description of the County's investment policy, current portfolio holdings and valuation procedures. The information has been furnished by the County Director of Finance [illegible] The District makes no warranty as to the accuracy or completeness of this information. Further information may be obtained directly from the Director of Finance. The County of Sacramento maintains up-to-date Investment Reports at the following website:

APPENDIX E

BOOK-ENTRY ONLY SYSTEM

The information in this appendix has been provided by DTC for use in securities offering documents, and the District takes no responsibility for the accuracy or completeness thereof. The District cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute to the beneficial owners either (a) payments of interest, principal or premium, if any, with respect to the Notes or (b) certificates representing ownership interest in or other confirmation of ownership interest in the Notes, or that they will so do on a timely

whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.