

# Unexpected Spending Reduction: Opportunistic Decision Making for Cancellations

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# Introduction to University of Southern California



<https://www.usc.edu/we-are-usc/the-university/facts-and-stats/>

Endowment (as of June 30, 2022)

\$7.3 billion

University Budget (2023-24 fiscal year)

\$7.4 billion

## A Leading Private Research University

Consistently rated amongst the top higher education institutions in California, USC is known for its academic excellence, pioneering research opportunities, and a diverse and inclusive student experience and campus environment that attracts students from across the U.S. and worldwide.

### Student Data (2024-2025 academic year)

21,000

Undergraduates

26,000

Graduate and professional

47,000

Total student population

### Faculty and Staff (2024-25 academic year)

4,626

Faculty (full-time)

19,957

Staff

9,185

Student workers (does not include teaching/research assistants)

USC Libraries

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# OUTLINE

## **FY25 Budget**

- Flat Budget to Spending Reduction
- Review Process (and more)
- FY25 Savings
- Aftermath - Lessons Learned
- Communications

## **FY26 Budget**

- What's Coming
- Review Process
- Projected Savings
- Communications

# FY25 Flat Budget to Spending Reduction

- March/April 2024 – flat budget
  - Expectation to return unused funds
  - Received official flat budget from our Senior Business Officer on May 20
- FY25 renewals coming in
  - Asked for annual reduction lower than 5% (goal 0-3%)
  - Open to multi-year agreements to lower annual increases
- Started usage analysis for approval books (e&p)
- June 19 – spending reduction information received

# FY25 Flat Budget to Spending Reduction

- Approval Plans and firm orders were immediately stopped
- Recommend-a-Purchase form was removed from website
- eBook packages and EBAs continued
- Course reserves and (some) failed ILL requests were purchased
- New journals and databases were not considered

# FY25 Flat Budget to Spending Reduction

## Recommend-A-Purchase

USC Libraries is not currently considering new purchase recommendations for individual titles. To request an item to be placed on course reserves, visit the [Course Reserves](#) page. To request a title via [Interlibrary Loan and Document Delivery \(IDD\)](#), please visit the IDD page. USC Libraries collections continue to grow with new titles and updated content that is added to our ongoing subscriptions and agreements for eBooks, eJournals and Databases.

*This is the text that has been on the website since July 1, 2024*

# FY25 Flat Budget to Spending Reduction

## June 19 Dean's Cabinet meeting

- Learned about USC structural deficit
- FY25 budget not finalized (ignore what was distributed)
- Learned that there would be a “give back program” – amount was tentative at this point and increased after this date
- Final budget was meant to be entered on this day
- It was expected that there would be university-wide messaging about FY25 (did not happen until November)
- The answer to questions – “The budget has not been approved”



# FY25 Flat Budget to Spending Reduction

- July 29, July 30, August 1 – Dean’s Cabinet budget strategy meetings
- August 6 – Dean Just met with Libraries staff & faculty
- Late August – 2 Associate Deans – met with staff & faculty to review document with preferred language for front line communication on library hours/collections/instruction (met again in October to revise)
- In mid-September we were still working on the final budget allocations

# Review Process

I invited library faculty, technical services team and dean's cabinet to a meeting on September 4 to introduce the FY25 acquisitions budget and **spending reduction** plan.

## Agenda:

- Budget introduction by Dean Melissa Just
- Introduction to the process to determine what items are eligible to be cancelled.
- Explanation of how the suggested cancellations have been determined.
- Process for making final decisions on cancellations.
- Plan for distribution of spreadsheets with eligible titles, annual cost, usage, and cost per use.
- Plan for additional meetings.

# Introduction to the Process

- FY25 renewals were negotiated with a goal of annual increases less than 5%, knowing we would have a flat budget (before it changed)
- It was too late to cancel subscriptions that started on July 1 once we had more news on a spending reduction
- Calendar year renewals, starting January 1, could be reviewed for reductions or cancellation
- Multi-year agreements that expired later than December 31, 2024, were not included for potential cancellation
- Approval Plans and firm orders were immediately stopped

# Suggested Cancellations Criteria

- Any resource or title that is not part of a multi-year agreement or package
- **Cost Per Use (CPU) > \$50/use** – this was a somewhat arbitrary number to use as a **starting point**
  - Current median was \$10.37 (prior \$8.92)
  - Current median for journals via Harrassowitz \$18.83 (prior \$13.39)
  - Resources, mainly journals, where supplier cannot supply usage statistics
- Focusing on CPU was the best metric to review for opportunistic decisions
- USC distributes calendar year subscription costs over 2 fiscal years so only 50% savings was achieved in FY25 (some exceptions)

## Process & Deadlines for Input & Decisions

- I shared 2 spreadsheets with suggested cancellations noted (based on criteria on previous slide) and other eligible titles included
- Librarians had the opportunity to review the cancellation suggestions and comment to cancel or provide a justification to keep
  - Not all requests to keep a title were accepted
  - Eligible titles with CPU below \$50 could be suggested for cancellation
- Deadlines were given for each spreadsheet
  - **Harrassowitz** review must be completed by **September 25**
  - **Database** review must be completed by **October 2**
  - Technical Services & Collection Development need time to make final decisions and communicate with vendors and consortia

## Miscellaneous Budget Challenges

- The reduced budget made it impossible to add new subscriptions and new one-time purchases
- Approval plans were on hold (with no accruals) for FY25
  - It was expected that the plans would be reviewed and revised to return in FY26
- There was a limited allocation for course reserves
  - Initially there was an expectation that Recommend-A-Purchase orders would return
- Most of the savings would not be realized until late in Q1 2025

# Timeline/Plan for Additional Meetings

## **FY 25 Timeline**

- I distributed links to spreadsheets by EOD Sept. 5
- Harrassowitz review completed by September 25
- Database review completed by October 2
- I would distribute final Harrassowitz cancellations by Sept. 30
- I would distribute final Database cancellations between Oct. 15-31

## **Plan for Additional Meetings**

- Afternoon Drop-in sessions
  - September 12
  - September 19
- 1:1 or departmental meetings

# Spreadsheets for Librarians' Review

## **CY25 Renewals**

- Columns: Title, Cost, CPU, Prior CPU, Alyssa recommendation (later Final decision), Alyssa notes, Librarian comments (preface with name)
- 113 resources or packages reviewed - 33 cancelled/reduced

## **CY25 Harrassowitz Renewals**

- Columns: Account, Title, Publisher, Medium, ISSN, Cost, CPU, Prior CPU, Alyssa recommendation (later Final decision), Alyssa notes, Librarian comments (preface with name)
- 428 titles or packages – 218 cancelled



## ILL-Acquisitions October 2024

- If Interlibrary Loan & Document Delivery (IDD) is unable to borrow a title via ILL, that request will be passed to the Acquisitions & Cataloging Department, to determine if the title is available to purchase.
- If ILL is unsuccessful, they will contact the patron, inform them about the failed search, and ask if the patron would be interested in having the title acquired by the libraries.
- The IDD team will then pass this request to the Acquisitions team, which will then try to purchase the title.
- ePreferred will still prevail; we will not purchase print if we own the eBook.
- Other factors that will impact if an item is purchased is price, availability, and content.
- Please note that if the patron does not reply in the affirmative, the request will not be passed to the Acquisitions team.

## FY25 Savings

CY individual journal subscription cancellations (p&e)	\$206,000
FY database cancellations	\$35,000
CY database cancellations	\$109,000
Monographs (including approval plans, based on FY24 spend)	\$650,000
Content reductions (not cancellations)	\$115,500
Content delays (expect to purchase half in FY26)	\$735,000
<b>TOTAL</b>	<b>\$1,850,500</b>

## Aftermath - Lessons Learned

- Need more time to evaluate resources and make decisions
- Subject Librarians learned more about usage and costs
- Disconnect between perception of use (“we use this all the time”) and the data
- Theoretical support for resources, especially print, but low/no usage
- Concern about ILL requests increasing
- Budget reduction made it impossible to accept any add-on or added content offers to existing subscriptions
- Budget did not allow for any new databases or journal subscriptions
- I had to stay consistent with the “policies”
- Acquisitions and cataloging staff needed to adjust their work

## FY25 Budget Communications

- Libraries faculty and staff were often the first to mention budget reduction to users.
  - Student workers had reduced hours, library open hours reduced
  - Users heard from acquisitions about previous requests not being fulfilled
  - Recommend-A-Purchase form was removed but we could not say why publicly
- Libraries developed a talking points document to help faculty and staff communicate to users about reduced hours, collections purchasing, and instruction
- USC did not make any formal announcement about the budget until November 20, 2024 (fiscal year starts July 1)
  - Email from Office of the Provost: Financial Planning for Sustainable Excellence
  - USC remains financially stable; operating with a structural deficit

## FY26 Budget - What's Coming

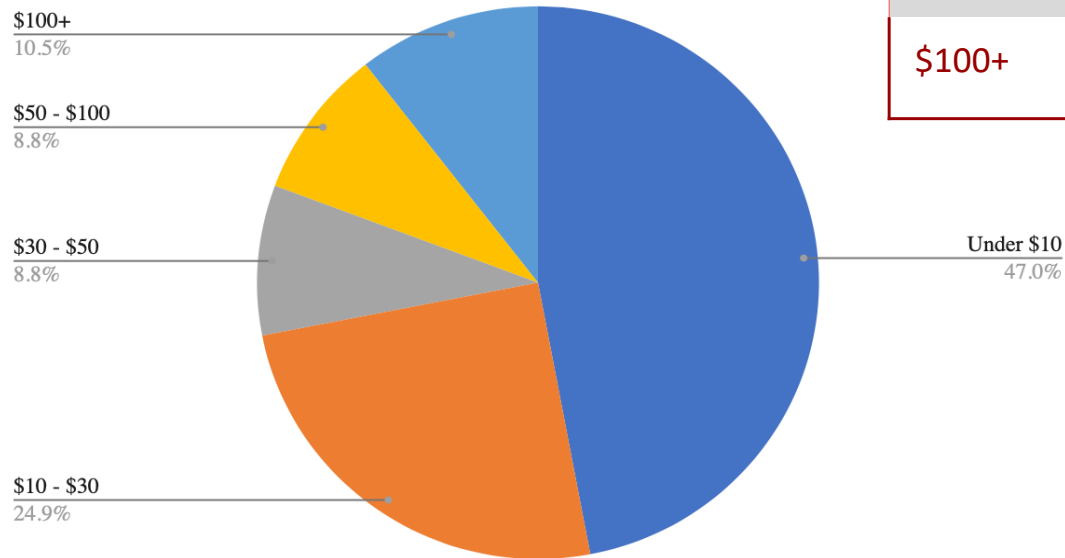
- Spending reduction is now a cut to the base budget
  - Libraries need to make new reductions to accommodate gaps that cannot be replicated from FY25 (digital repository transfer and endowments)
  - Collections endowments will probably be unavailable to use
- Multi-year agreements that expire after December 31, 2025, will be considered for re-negotiation or cancellation, including Big Deals
- Approval plans will remain paused
- Recommend-a-Purchase may come back with new guidelines
- Librarian title selections may come back with new guidelines (to be used for title requests, not overall collection building)
- eBook packages and EBAs will continue and re-negotiated or modified
- Course reserves and (some) failed ILL request will continue to be purchased

## FY26 Review Process

- Similar process to FY25
  - FY26 acquisitions budget meetings April 23 and 30
  - Review deadline May 9
  - Reviewing FY and CY 2026 renewals together
  - Cost Per Use >\$30/use starting point for cancellations
- Intend to finalize before the end of May
- Start Harrassowitz review after July 1

# FY26 Projected Savings

Count of CPU Groups



CPU Group	Cost	Usage	# of Rows
\$30 - \$50	\$445,475.19	11,851	25
\$50 - \$100	\$543,933.44	7,703	25
\$100+	\$356,025.89	2,119	30

## FY26 Budget Communications

- March 24, 2025, email from Office of the President: Update on USC's Financial Planning and Resilience Efforts
  - Permanent Budget Reductions
  - Procurement Control
  - Capital Spending Slowdown
  - Staff Hiring Freeze
  - Faculty Hiring Curtailment
  - Discretionary Spending Restrictions
  - Enhanced Efficiency
  - No Merit Pool for Faculty and Non-Hospital Staff
  - Sunset of Extended Winter Recess



# Budget Communications & Articles

[Office of the Provost November 20, 2024](#)

[Office of the President March 24, 2025](#)

[Los Angeles Times article March 25, 2025](#)

[USC AnnenbergMedia article May 2, 2025](#)

# Questions

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