The midyear meeting of the Council of the Paleontological Society (PS) was called to order by President David J. Bottjer at 8:05 a.m. on 7 April 2006, in the Cooper Room of the Department of Paleobiology at the Smithsonian Institution. Council members William I. Ausich, Derek E. G. Briggs, Mark E. Patzkowsky, Roger D. K. Thomas, Anne L. Raymond, Jennifer C. McElwain, Ann F. “Nancy” Budd, Robyn J. Burnham, Susan H. Butts, Mark A. Wilson, Michael A. Gibson, Jocelyn A. Sessa, Lisa Amati, Forrest J. Gahn, Elizabeth A. Heise, Lisa E. Park and Colin D. Sumrall were present.

President Bottjer welcomed the members of the Council and presented his report. Since its inception, the Society had been organized to hold professional meetings, publish results of paleontological research, and engage in a limited range of ancillary activities. Now, with the advent of electronic publishing, a business model based almost entirely on delivery of scholarly journals in hard copy has a limited future. We are in a period of transition from a mixed model of paper and electronic publication to one that will certainly be largely electronic. PS needs to develop new ways to attract and serve its members, to ensure that paleontology will flourish, and to maintain the base of support necessary to publish its journals in any format. Consequently, two major items were on the agenda for this meeting: development of an entirely new membership/subscription model and launching of a fundraising campaign to provide resources in support of the Society’s future initiatives.

Discussion with H. Richard Lane, program director at NSF, had prompted President Bottjer to write a proposal requesting $25,000 to support travel by U.S. students to the 2006 International Palaeontological Congress, in Beijing. The grant was awarded, a committee was convened to review proposals, and funds were promised to 26 students to subsidize their participation at the meeting in June. NSF had also provided funds in support of the workshop on Future Research Directions in Paleontology that would take place on two days immediately following this meeting. This represents an effort, spearheaded by PS, to be proactive in developing a research agenda for paleontology and in seeking the financial resources to support it.

Following up on the Council’s recent discussions of ways in which the Society might act effectively to counter the growing influence of “intelligent design” and creationism, President Bottjer had met with “ghost-busters” Eugenie Scott and Glenn Branch, Director and Deputy Director of the National Center for Science Education, who work full-time on this issue. They discussed ways in which the Society could become involved, directly and indirectly, in addressing creationism. NCSE is considering setting up a program through which professional societies could support the center financially through formal affiliation as institutional members. When it comes to lawsuits and public relations on a national or regional level, the staff of NCSE is much better qualified to represent our interests than we are, ourselves. NCSE is also interested in drawing on PS members for expertise when scientific issues arise in local school districts. This was a very positive, productive meeting.

Mark Patzkowsky presented the Treasurer’s report. The Society had total assets at the end of fiscal year 2005 of $1,804,094, the highest level so far achieved. This represented a net increase of $72,573 since the end of 2004. The value of investments was down about $30,000, principally because of the need to draw $120,000 to cover expenditures. The budget had called for a draw of $90,000. Unbudgeted costs were incurred to publish the Gould memorial issue of *Paleobiology* and to reprint two issues of the Journal of Paleontology. However, in the previous year, no draw had been required, due to strong cash flow. Averaged over the past two years, a draw of $60,000 per year was in line with our agreed investment management policy, which calls for 4% draw. The Society’s investment model is currently 40% stocks, 40% bonds, and 20% money funds. Historically that returns about 8.9%. Over time, with a draw of 4% a year, PS should be returning 4.9% annually to the endowment.

Reviewing the fund balances within the investment account, Mark Patzkowsky noted that an option to contribute annual gifts to unrestricted funds had been added to the list of funds with specified purposes shown on renewal notices and on the membership website. This is generating some income to the general savings fund.

On income and expenses, Mark Patzkowsky drew attention to the very attractive balance of $39,463 arising from electronic publishing. This represents the difference between income from BioOne, GeoScience World, JStor, ProQuest and electronic subscriptions compared with the direct cost of making the journals available through these outlets. Now, for the first time, income from electronic sources is making a net contribution to underlying costs of editing and producing journal copy.

Discussion of the advantages of encouraging PS members and their students to use BioOne and GeoScience World, thereby generating income for the Society, led to recognition of a “Catch 22.” If electronic access to the Society’s journals becomes the principal benefit of membership, it is in fact no benefit at all to those who have free access to these journals through university libraries. This highlighted the need to develop new incentives to draw people to join the Society.

Mark Patzkowsky presented the revised budget for 2006. This now included income of $30,000 from electronic publishing. Expenditures included the fee to set up AllenTrack for electronic management of manuscripts submitted to the *Journal of Paleontology*, $3,000 to pay for financial advice on management of PS investments, and other items agreed upon at previous meetings. Projected income exceeded budgeted expenses by $10,452 without any draw on income from investments. This meant that foregone income of about $64,000 could be retained in the endowment.

This healthy state of affairs was due in part to new income from electronic publishing, but much more substantially to the 50% increase in institutional subscription rates set for 2006. To maintain income at 2005 levels, 450 subscriptions to the *Journal of Paleontology* and 340 subscriptions to *Paleobiology* would have been required from institutions. As of March 2006, the JP had 559 institutional subscribers and *Paleobiology* had 430. The subscription increase had provided a substantial, one-time infusion of income. The budget assumed a 10% drop in institutional subscriptions, calling for 41 additional subscriptions to the JP and 20 for *Paleobiology* by August 2006. Whether or not this would be achieved was not yet clear. It was agreed in discussion that numbers of institutional subscribers will continue to fall relatively rapidly until a floor is reached, represented by libraries that see themselves as archives.

As Secretary, Roger Thomas noted that minutes of the Council’s meetings in Salt Lake City had been distributed by email. These were approved unanimously.

Roger Thomas reported that Sherri Edwards, originally employed to provide Carl Stock with secretarial assistance and to