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Therapist Realtor
Cook Pharmacist Business Owner
Democrat Stylist Painter Waiter Lesbian
Optometrist
Cousin Bookkeeper Colleague Sister
Transgendered Physical Therapist Tutor
Technician Manager Veterinarian Musician
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Annual Report

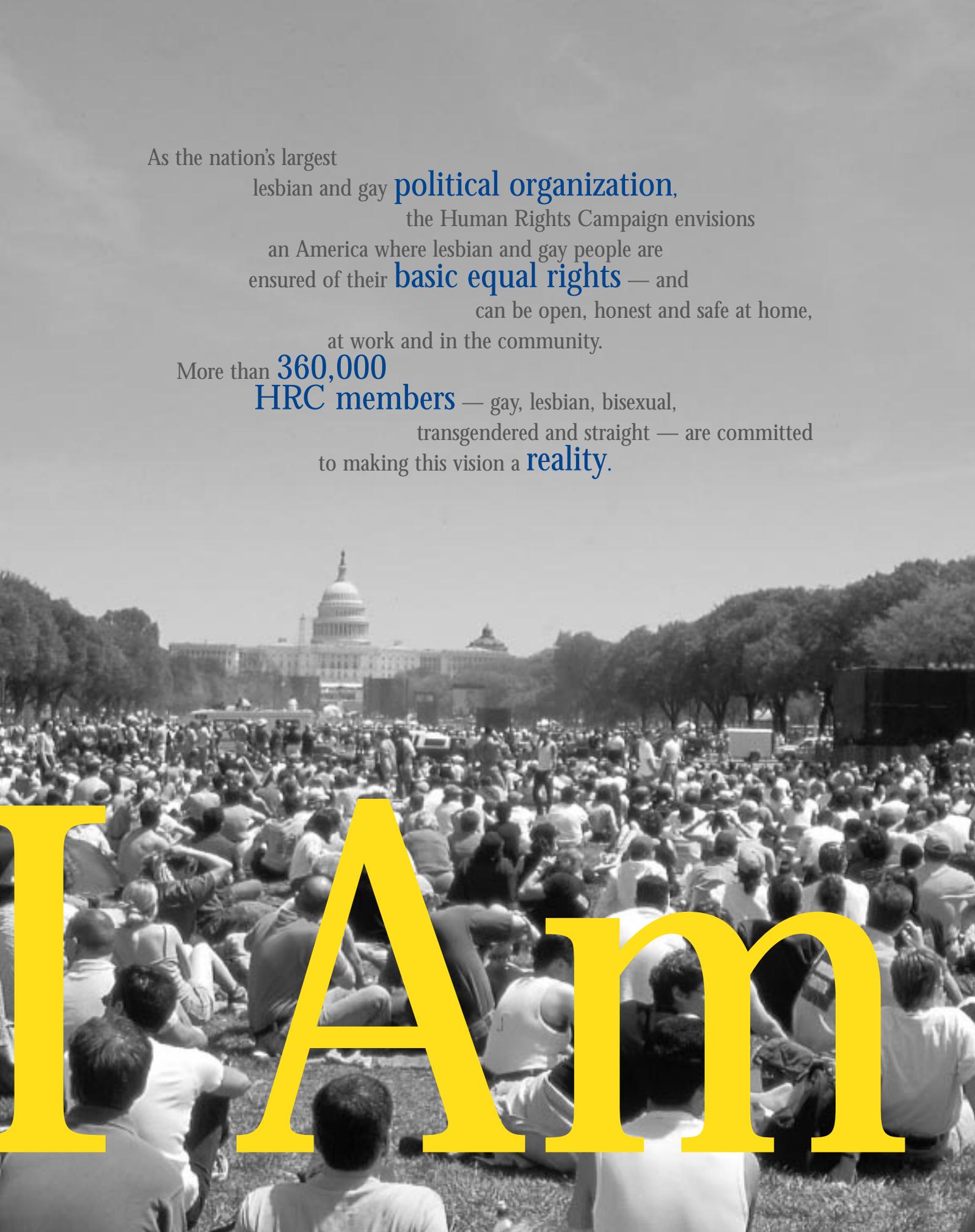
The Human Rights Campaign
and the Human Rights Campaign Foundation
April 1, 1999 – March 31, 2000



HUMAN
RIGHTS
CAMPAIGN

As the nation's largest
lesbian and gay **political organization**,
the Human Rights Campaign envisions
an America where lesbian and gay people are
ensured of their **basic equal rights** — and
can be open, honest and safe at home,
at work and in the community.

More than **360,000**
HRC members — gay, lesbian, bisexual,
transgendered and straight — are committed
to making this vision a **reality**.



REALITY

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Welcome

AMERICA AT A CROSSROADS

For lesbian and gay Americans, the new millennium arrived at a time of historic visibility, strength and influence.

Those of us old enough to remember a different time can look with pride and wonder at a cultural landscape that includes the unabashedly gay sensibilities of top-rated TV sitcoms like *Will & Grace*, and popular icons like Melissa Etheridge, able to proudly affirm her artistry, sexual orientation and family.

Those who came of age during the Clinton/Gore administration can be forgiven for forgetting that presidential debates in the past drew no questions on gay issues or that political campaigns simply ignored us, at best — as opposed to the courtship that is routine today.

Now, it is easy to feel hopeful that America is moving steadily toward a full embrace of equality. But the new millennium has also brought with it the very real threat that America could instead choose to turn back the clock.

A national election of staggeringly high stakes underscored the dichotomy of life for lesbians and gays today. While the culture has moved decisively forward, the legal measures of our rights have not kept pace. Congress has not simply failed to pass laws to fight anti-gay violence and employment discrimination, it has refused to. And it has tried regularly to pass anti-gay measures. For its part, the Supreme Court has upheld anti-gay discrimination as constitutional. And at this writing, just 11 states have seen fit to protect the jobs of its lesbian and gay citizens.

As America chooses its course for the first decade of the 21st century, lesbians and gays face the possibility that proponents of legalized homophobia will take charge.

The *real* measure of progress for lesbian and gay Americans will continue to be the hard-won gains in law and policy that are the only true guarantee of equal rights, responsibilities and opportunity in our society — and to which the Human Rights Campaign and the Human Rights Campaign Foundation have now been dedicated for 20 years.

Our work is made possible by an unprecedented partnership among lesbian and gay Americans and straight allies from all walks of life and across the political spectrum. It is work that can and must continue, in good times and bad, until America's political choices no longer pose a threat to its lesbian and gay citizens.

Candy Marcum
Board of Directors
Co-Chair

Michael Duffy
Board of Directors
Co-Chair

Lawrie Demorest
Board of Governors
Co-Chair

Marty Lieberman
Board of Governors
Co-Chair

Edie Cofrin
Foundation Board
President

TRULY A 'HUMAN RIGHTS' CAMPAIGN

This year was the 20th anniversary of the Human Rights Campaign. Twenty years ago, a small group of men and women gathered to create an organization they imagined would transform the world through the democratic process. Imagine that these young men and women had never heard the word “AIDS.” They could not have envisioned how an epidemic would force an entire generation to learn to comfort the dying and bury the dead.

From the beginning, they built a bipartisan organization. But they could not have imagined that for the next three administrations — the Reagan/Bush years — their government, in the midst of the largest health crisis of the century, would turn away in silence. They could not have imagined that even the most basic equal rights would not have been realized at the federal level even by the year 2000.

But they had a dream — and mostly they could not imagine how strong and wise they would become. And one after another, other dreamers and thinkers — men and women of good conscience — have come to the Human Rights Campaign to build a strong, vital foundation for equality, one stone upon another.

Time has proven the wisdom of these early leaders.

But too many Americans — too many parents, loved ones and common-sense observers — now see the lengths to which our enemies will go to perpetuate their prejudice. All through 1999, the battle lines were shifting — from the polls and editorial pages to dinner tables and water coolers. And the margins were widening to embrace equality.

I am proud that the Human Rights Campaign has been at the forefront of the effort to make equality a mainstream issue, worthy of the support of every fair-minded American. The evidence is everywhere.

Parents, loved ones, co-workers and friends of lesbians and gays continue to join our membership. Candidates — Republican and Democrat — go out of their way to approach us on issues, both to learn more and to pledge their support. Reporters and editorial boards view our advocacy as “common sense” rather than “special interest.” Our workplace advocacy has transformed the landscape of corporate America, with gay-inclusive policies becoming standard practice, from the Big Three automakers to that quintessential U.S. brand, Coca-Cola.

Much of HRC’s work in the past year has involved eye-to-eye confrontations with the proponents of anti-gay bigotry. And we will continue to face them down, and take the action necessary to blunt their attacks. But more and more, we are energized not simply by outrage, but by hope and a shared sense of purpose.

We are working with diverse allies across the spectrum, to rally a new American majority behind a movement of fairness, tolerance and community — secure in the knowledge that ours is truly a *human rights* campaign.

Elizabeth Birch
Executive Director



ILIANA

Public Affairs & Legislation

Issues of importance to our community — in particular hate crimes and the ban on lesbian and gay military service — assumed a prominent place in the national debate as the country entered the pivotal 2000 election year. At the same time, the 106th Congress, which convened in January 1999, saw significantly less anti-gay rhetoric than its predecessor. There were far fewer anti-gay attacks and amendments than in the last Congress, in which gays and lesbians were notoriously compared to “kleptomaniacs” and “alcoholics.” The net result was an all-time high level of overall support in the Senate and the House of Representatives for issues of concern to HRC members. And it resulted in an illuminating public dialogue for many Americans.

Despite clear progress in funding for HIV/AIDS research, prevention and services, neither the Hate Crimes Prevention Act nor the Employment Non-Discrimination Act, HRC’s signature issues, passed into law in 1999 — a sure sign that the debate had barely begun.

HATE CRIMES

Falling Victim to Anti-Gay Politics

A full year of anguished and heartfelt pleas by hate crimes victims failed to overcome anti-gay politics in Congress, as the Hate Crimes Prevention Act was quietly killed by Republican leaders in November 1999 despite unprecedented levels of support and visibility.

HRC made passage of HCPA a top priority throughout the year. It worked closely with the parents of slain Wyoming college student Matthew Shepard, whose 1998 murder galvanized public opinion in favor of tougher hate crimes laws, to persuade congressional leaders to act. Both Judy and Dennis Shepard appeared in HRC-produced television ads, spoke at HRC-organized press conferences, and made personal visits to members of the House and Senate.

The efforts of HRC and its coalition partners resulted in both Senate and House hearings on hate crimes. At HRC’s urging, Judy Shepard presented moving testimony in favor of HCPA at the Senate

hearings. Lobbying efforts included the family of James Byrd Jr., an African-American man who was dragged to his death behind a pickup truck in Texas. Law enforcement officials from Wyoming and other states gave their endorsement to the bill as well. HRC’s efforts also included the placement of advertisements in Capitol Hill publications and op-ed pieces in newspapers around the country and a member-generated, letter-writing campaign and extensive online activism.

Success seemed to be within reach in July 1999 when the Senate unanimously agreed to include the measure as an amendment to the Commerce, State and Justice appropriations bill. But because a similar House bill contained no hate crimes provision, the fate of HCPA moved to a House/Senate conference. Throughout the summer and fall, HRC continued to orchestrate widespread support for the bill. On Nov. 17, however, the Republican leadership eliminated it from the final conference report — killing any chance that it would become law in 1999.

In January 2000, President Clinton again called for passage of HCPA in his State of the Union, as he did for the

citizen.

Employment Non-Discrimination Act. The bill continued to gather support in the 106th Congress' second session. In June, the Senate voted 57-42 to pass the language of HCPA. Fourteen Republicans voted in favor of the bill. On Sept. 13, by a vote of 232-192, the House passed a motion to instruct conferees to keep the hate crimes measure in the defense authorization bill. Forty-one Republicans voted in favor. Despite this, the GOP leadership stripped out the hate crimes legislation while the bill was in conference. HRC continued to draw attention to efforts by the GOP leadership to keep the full Congress from finally acting against the epidemic of hate crimes that is aimed at all Americans, not just those in the GLBT community.

ENDA

A Record Number of Cosponsors

The Employment Non-Discrimination Act also continued to gather support in Congress and in the corporate world. The bill, reintroduced June 24, 1999, had a record number of cosponsors — 36 in the Senate and 165 in the House. While the GOP leadership blocked any hearings or votes on the measure, support is still growing. HRC continues to document the critical need for the legislation by gathering first-person accounts of anti-gay discrimination in

the workplace. At the same time, more and more companies are endorsing ENDA and calling for its passage.

HIV/AIDS

Sustaining the Federal Commitment

With an ominous erosion in the rate of decline in the national AIDS death rate, and increased levels of HIV/AIDS infection, illness and death among gay and bisexual men of color, HRC worked throughout 1999 to secure adequate federal resources and policies.

Housing Opportunities for People With AIDS: In September 1999, the House voted to restore \$10 million in funding to the Housing Opportunities for People with AIDS program for FY 2000, maintaining its FY 1999 level of \$225 million, but falling short of the \$240 million requested by President Clinton and fought for by HRC. Statistics continued to bear out the compelling need for the program: Up to 60 percent of people living with HIV/AIDS will need housing assistance at some point in their lives. One-third to one-half are either already homeless or in imminent danger of losing their homes.

Funding for Federal HIV Programs: In November 1999, Congress passed a final spending bill that included much-needed increases in key federal AIDS appropriations, including a 13 percent increase for the Ryan White CARE Act, a

15 percent increase for medical research at the National Institutes of Health, a 6 percent increase for HIV prevention activities at the Centers for Disease Control and Prevention, and a 50 percent increase for a Congressional Black Caucus initiative to combat HIV/AIDS in communities of color.

Work Incentives

Improvement Act: The FY 2000 budget agreement also corrected a serious inequity in Medicare and Medicaid coverage that had the effect of preventing people living with disabilities, including HIV/AIDS, from returning to work without losing their health insurance coverage. The bill, which passed the House in late October 1999 by a vote of 412-9, allows people with disabilities to buy Medicaid coverage even if they earned a salary that would otherwise disqualify them. The Senate passed a companion bill in June by 99-0. The final Work Incentives Improvement Act was signed into law Dec. 17, 1999.

District of Columbia Needle Exchange: Once again, several conservatives in Congress sought to dictate District of Columbia HIV/AIDS policy through the appropriations process. Initially, the FY 2000 D.C. appropriations bill contained a provision to prohibit any federally funded entity in the district from using its own private funding for needle exchange programs. After



extensive lobbying by HRC staff and our coalition partners, the provision was dropped.

THE HORMEL NOMINATION

A Favorable End

A nearly 2-year-long standoff over the ambassadorial nomination of openly gay business and civic leader James C. Hormel ended in June 1999 when President Clinton exercised his authority to appoint Hormel as ambassador to Luxembourg during a congressional recess. The recess appointment provoked an angry response from the handful of senators who had blocked Hormel's nomination because of his sexual orientation. One senator, James Inhofe, R-Okla., went so far as to vow to block all future Clinton administration appointees. HRC helped lead the Senate in backing away from Inhofe's position by pointing out his hypocrisy to the media. Hormel was formally sworn in June 1999.

RELIGIOUS LIBERTY PROTECTION ACT

Principled Lobbying
Exposes Flawed Bill

A bill that could have nullified state and local gay civil rights laws — yet which enjoyed widespread support among conservative, moderate and liberal religious and secular groups — passed the House but failed to pass the Senate

after HRC and a coalition of progressive organizations drew attention to its potentially dangerous civil liberties implications. A compromise bill, the Religious Land Use and Institutionalized Person Act, passed both chambers overwhelmingly. The alternative measure protects important religious liberties without endangering civil rights laws.

THE LARGENT AMENDMENT

Failed Attack on Gay and Lesbian Adoption

By a margin of one vote, the House defeated an anti-gay amendment June 29, 1999, that would have limited the ability of gay and lesbian couples seeking to adopt children. The amendment, offered by Rep. Steve Largent, R-Okla., would have prohibited unmarried couples in the District of Columbia from jointly adopting children. HRC vigorously opposed this hateful slap at gays, lesbians and more than 3,100 children needing adoption in the nation's capital.



U.S. Secretary of State Madeleine Albright swears in openly gay philanthropist James C. Hormel as ambassador to Luxembourg. Hormel's partner, Timothy Wu, holds the Bible at the June 29, 1999, event.

Elections

HRC spent much of 1999 gearing up for the momentous 2000 elections, when control of the White House, both houses of Congress and the power to make an expected three or more appointments to the Supreme Court, were all up for grabs.

HRC's political action committee set an ambitious agenda to influence the debate on gay and lesbian issues, especially in the presidential contest. With Republicans controlling both the House and Senate by six- and five-seat majorities, respectively, ideological control of the Congress was also a priority. HRC prepared to invest more than \$1 million in the campaigns of fair-minded candidates in the 2000 election cycle.

THE RACE FOR PRESIDENT

HRC Issues Y2K Candidate Report

At an August 1999 news conference in Des Moines, Iowa, HRC issued a special report, *Y2K Presidential Candidates & Gay and Lesbian Equality*, detailing where the leading Democratic, Republican and third-party candidates stood on gay and lesbian issues. On the same day, right-wing organizations placed a full-page ad in the *Des Moines Register* asking that all candidates sign a pledge to oppose any legal recognition of the rights of gays and lesbians. Their gambit failed to garner much support, except from the most conservative Republican contenders, including right-wing activists Gary Bauer and Alan Keyes as well as Sen. Orrin Hatch, R-Utah. HRC's ongoing advocacy in coordination with state activists helped to give gay issues an unusually visible and balanced role in the Iowa debate.

GAY ISSUES

Front and Center in the Primary Campaign

At their first joint debate appearance, Vice President Al Gore and former New Jersey Sen. Bill Bradley strongly condemned the military's ban on gay and lesbian service, commonly known as "don't ask, don't tell," and both pledged to end the ban if elected. In the following days, President Clinton said the policy was not working well. First lady Hillary Rodham Clinton, running for the Senate in New York, announced her opposition to the policy. Republicans were united in their support for the ban. In January 2000, the Republican National Committee aired a paid television spot in favor of it, specifically attacking and distorting the vice president's position. In response, HRC crafted and aired a spot holding the GOP candidates accountable for supporting a policy that contradicts the spirit of American democracy.

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The dueling ads capped an extraordinary two-week period during which the military ban received its most extensive media and public attention since it was codified in 1993. To inform the debate, the HRC Foundation commissioned the polling firm of Lake, Snell, Perry and Associates to measure public opinion. Key findings confirmed that nearly two-thirds of voters believe gays should be allowed to serve in the military, while a strong plurality believe gays should be able to serve without hiding their sexual orientation.

The military ban was not the only gay-related issue to receive prominent attention during the presidential primaries. Gore and Bradley both endorsed the Vermont Supreme Court's decision to set the stage for legal same-sex "civil unions" in the state, calling for universal recognition of domestic partner rights and responsibilities. Despite extensive HRC lobbying, however, the candidates specifically opposed the right of same-sex couples to marry. Nevertheless, and in sharp contrast to their Republican counterparts, the

Democrats made support for gay and lesbian equality a cornerstone of their campaign platforms and rhetoric.

THE PRESIDENTIAL NOMINATION

HRC Gives Early Endorsement to Vice President Gore

On Feb. 11, 2000, HRC endorsed Al Gore for president at a Los Angeles news conference with the vice president. The endorsement noted Bradley's honorable stands on gay issues, while emphasizing that Gore had earned the endorsement through his long, well-documented history of tangible actions in support of equality.

THE KNIGHT INITIATIVE

Setback in California

California's March 2000 presidential primary ballot featured a proposition to ban future recognition of same-sex marriage. The Knight Initiative, put forth by anti-gay Republican state legislator Pete Knight, proved to be a defining issue among the multi-party field of presidential contenders. HRC helped

to secure the public opposition of both Democrats. HRC and its key leadership were major funders of the No On Knight Campaign, which was also supported by hundreds of members of the HRC Action Network. Despite an aggressive countereffort, the initiative prevailed, although the debate on that issue has only just begun in California. Further, it served to broaden public awareness of and support for gay issues statewide.

HRC made an early endorsement in the 2000 presidential race with Vice President Gore. Among the community leaders at the Los Angeles event in February were L.A. Stonewall Democratic Club President Eric Bauman, Judy Shepard and HRC Executive Director Elizabeth Birch.



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Grassroots

B*eyond the Beltway:* The core of HRC's institutional and political strength continued to be its membership base, grassroots presence and volunteer leadership in cities and towns nationwide. In 1999, combined HRC membership surpassed 360,000 — the result of concerted efforts to mobilize the full diversity of gay, lesbian, bisexual, transgendered and fair-minded Americans through all available means to join the fight for equality.

MEMBERSHIP New Levels of Outreach

HRC's membership levels continued to reflect an expanded commitment to targeted outreach at the grassroots level. Thousands of new members joined the organization through a diverse range of programs and activities. The HRC website also proved to be an effective vehicle for membership recruitment; thousands of new members joined online in FY 2000.

Presence at Prides: HRC's presence at pride events nationwide still stood out as a major source of new visibility and support. Staff and volunteers participated in more than 60 events during the 1999 pride season. HRC's Action Center and retail store in Provincetown, Mass., had its most successful summer season ever. Planning began to open more Action Centers and Stores in gay-majority neighborhoods in the coming years.

Community Events: The organization continued to boost its strength and diversity by greatly expanding its community events program, ranging from barbecues and bowling nights to women's golf

tourneys and WNBA professional basketball games. HRC also sent staff members to an array of conferences and festivals in the GLBT and larger progressive community.

House Parties: HRC involved its volunteer networks and members through its house party program — to educate people, bring in new members and identify others in the local community. Local hosts held parties during the spring related to HRC's "Get Engaged in the Fight For Equality" theme about the need to value, and protect, GLBT families. They also built house-party themes around the Fourth of July, Memorial Day and other holidays. In total, more than 300 volunteers signed up to be hosts for house parties countrywide.

Door-to-Door Canvassing: Another innovative HRC approach to outreach is door-to-door membership drives, a program in place for several years that has brought on board thousands of new members, including straight allies, who are committed to our issues. HRC teamed up again with the Fund for Public Interest Research to conduct the door-



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to-door work in targeted neighborhoods in Arizona, California, Georgia, Illinois, Michigan, Minnesota, New Mexico, North Carolina, Oregon and Texas. Plans were made expand the efforts in 2000.

DIVERSITY

A Benchmark of Progress

A key tenet of HRC's five-year plan is to significantly increase efforts to ensure that staff and membership reflect the full diversity of the nationwide gay, lesbian, bisexual and transgender community. By 2000, 25 percent of HRC employees were people of color, up from 19 percent in 1999. To achieve similar success in diversifying membership, HRC hired its first constituency organizer to focus outreach efforts on communities of color and people of faith.

HRC's "Gospel & Soul" event celebrated its third anniversary and the organization sponsored a number of prayer breakfasts nationwide. HRC also increased its presence at black pride events, which continued to grow in popularity in major cities including Washington, D.C., and Atlanta.

Outreach to women continued to experience enthusiastic growth. A series of events organized around WNBA professional basketball games, golf tournaments, bowling and other activities helped bring women together and increase their level of involvement in HRC's work.

Economic diversity was a focal point, too, as HRC's events staff worked with local communities to organize beach volleyball parties, barbecues and other moderately priced events that drew maximum community-wide participation among those who want to make a personal contribution to the fight for equality.

VOLUNTEERS

A Framework of Local Leadership

HRC continues to thrive on strong community-based roots. Local committees and volunteer networks have grown to feel real ownership of HRC and its mission, and they are increasingly responsible for HRC's organizational success.

Numbers tell only part of the story: HRC's national volunteer leadership includes 26

steering committees, 60 Federal Club co-chairs, 50 dinner co-chairs, 20 membership liaisons, 21 state coordinators, 136 congressional district coordinators, 40 directors and 120 governors. Together, they organize 24 fund-raising dinners, 30 community events, 75-plus Federal Club events, and countless meetings, house parties, receptions and town hall meetings.

This diverse umbrella works in coordination with HRC's national office, but in each case the commitment and drive is fully self-generated. This high level of local energy ensures that every HRC member has opportunities to increase his or her involvement — and directly influence HRC's local and national impact.

THE ACTION NETWORK

An Organized Grassroots Voice

HRC's Action Network became an even more important tool for generating effective grassroots response to legislative emergencies and opportunities. More than 20,000 people are now part of

HRC's Action Network, and they receive timely e-mail alerts on key issues.

Members of the Action Network have shown themselves to be among the most cyber-savvy in the nation. HRC worked hard to keep pace with their technological expectations. It made a major investment in improving the technology behind our online Action Center, which enables registered users to access congressional biographies, phone numbers, e-mail addresses, committee schedules and more, and then send messages directly to Congress when gay, lesbian or HIV/AIDS issues are at stake.

The Action Center was totally revamped, as part of a major redesign and recoding of our entire website to make it more uniform and quick to load. Traffic to the site grew exponentially — from approximately 94,000 hits in 24,000 user sessions in April 1999, to 3.6 million hits in 163,000 user sessions by March 2000.

All of these outreach activities are in addition to HRC's direct marketing program which remained the largest in the gay and lesbian community.

member.



Equal Justice Under Law

HRC Foundation

The Human Rights Campaign Foundation works to lay the groundwork for equality by educating the public, policy makers, the media, corporate leaders and others about issues surrounding anti-gay and -lesbian bias, discrimination, violence and other topics.

PUBLIC AWARENESS

Campaign Features
Judy Shepard

In September 1999, the HRC Foundation took a proactive approach toward advancing equality through the media by unveiling a comprehensive public awareness campaign. It included television public service announcements and extensive public opinion research to help HRC shape attitudes and craft messages in the new millennium.

The campaign was launched at a Los Angeles luncheon in honor of Judy Shepard, mother of slain

University of Wyoming student Matthew Shepard. In two 30-second PSAs released at the event — each aimed at curbing anti-gay violence and promoting a greater understanding of gay issues — Shepard speaks about the love she and others felt for her son, and urges viewers to “choose to understand.”

“In a perfect world, because your child is gay, you don’t worry about their safety. You just worry about them being happy,” she says in one spot.

The PSAs, produced with the Matthew Shepard Foundation, were distributed to every U.S. network affiliate and cable operator that uses such spots, and began airing in October 1999.

MATTHEW SHEPARD

Justice on Trial

The much-awaited trial of Aaron J. McKinney for the murder of Matthew Shepard took place in November 1999. Members of HRC staff were

in Laramie, Wyo., to provide ongoing media commentary. HRC’s perspective was especially useful when the defense attempted to downgrade the charges to manslaughter, claiming that Shepard had made sexual advances that triggered “traumatic memories” in McKinney of alleged childhood sexual abuse.

The so-called “gay panic” defense, which has been used with appalling success in other trials, was thrown out by District Judge Barton Voigt. McKinney was eventually sentenced to two consecutive life terms for his role in the Oct. 6, 1998, attack, when he and his friend Russell A. Henderson lured Shepard from a bar, drove him to a remote field, beat him with the butt of a gun, tied him to a fence, and left him to die in near-freezing temperatures. Henderson was given a similar sentence.

‘TRUTH IN LOVE’ AND HRC MEDIA DEFENSE FUND

A Case Study in Dueling Messages, in which Equality Prevailed

In 1998, the religious right launched a national advertising campaign. Through full-page ads in major newspapers, it argued that gays and lesbians could change through so-called “conversion therapy,” and proved that paid media could be used to attack and demean gays and lesbians,

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spread anti-gay propaganda, and secure massive amounts of free media attention to the anti-gay agenda.

The HRC Foundation responded effectively to the 1998 campaign with ads and media advocacy of its own, which changed the terms of the discussion and exposed the politics behind the campaign. Since then, it has been clear that the resources and capacity to respond decisively to paid media attacks must be in place. In 1999, the HRC Foundation created the HRC Media Defense Fund to fill that need. It draws upon the HRC Foundation's in-house communications experts, and external relationships with advertising agencies, pollsters and other specialists.

In May 1999, the same groups that ran the previous summer's \$500,000 anti-gay "Truth In Love" newspaper ads unveiled what they promised would be a multi-million dollar television version of the campaign.

HRC's Media Defense Fund immediately produced a detailed handbook, *It's Not About Hope, It's About Anti-Gay Politics*. It provided background on the anti-gay groups and leaders behind the campaign, along with talking points to rebut its messages and expose the myths about "ex-gay ministries." Through the fund, the HRC Foundation also

produced and began airing positive ads geared toward promoting respect and dignity for all people.

The "Truth in Love" television campaign failed to receive anything close to the media coverage that greeted its print counterpart a year earlier. Much of the HRC Foundation's prior efforts had succeeded in discrediting the campaign's message.

Gay Day Ads: Activists on the extreme right also attempted to run an anti-gay television ad campaign to coincide with "Gay Days," an annual event where hundreds of thousands of lesbian, gay, bisexual and transgendered people visit Walt Disney World and other Orlando-area theme parks. A swift response by the HRC Foundation challenging the ads' content as false and misleading helped to limit their broadcast to three minor independent stations.

LEGAL EDUCATION AND RESEARCH

The HRC Foundation's legal staff provided extensive legal analysis and research support to all of HRC's political and educational efforts. It also led the organization's lobbying efforts for the confirmation of fair-minded Clinton nominees Richard Paez and Marsha Berzon to the influential 9th Circuit Court of Appeals.

The legal staff also reviewed hundreds of hate

crime and employment discrimination cases as part of its Documenting Discrimination Project. The cases were the source of compelling witnesses who testified at HRC's request before congressional committees holding hearings on the Employment Non-Discrimination Act and the Hate Crimes Prevention Act.

The HRC Foundation acted as "friend of the court" in a number of federal appellate cases affecting gay, lesbian, bisexual and transgendered people and families. Most prominently, HRC attorneys helped coordinate the civil rights community's *amicus* brief in *Dale v. Boy Scouts of America*, and analyzed the case in national TV and print media.

HRC staff along with members of the new HRC McCleary Law Fellows program also began coordinating the research and preparation of state legislative drafting guides as part of HRC's Equality Agenda.

HRC continued to publish quarterly editions of *HRC LAWbriefs*, its newsletter on legal developments. Copies are circulated to most members of Congress and key administration officials, coalition allies and donors; they are also available on our website. HRC's legal staff spoke to print and broadcast media representatives and addressed law schools and gay and lesbian legal organi-

Judy Shepard participated in an HRC Foundation-sponsored luncheon Sept. 9, 1999, that launched a television PSA campaign aimed at curbing anti-gay violence.



zations across the country. The staff also participated in judicial training and represented the gay and lesbian community on the U.S. Department of Justice's Task Force on Law Enforcement Training and Recruitment.



NATIONAL COMING OUT PROJECT

Millions 'Come Out to Congress'

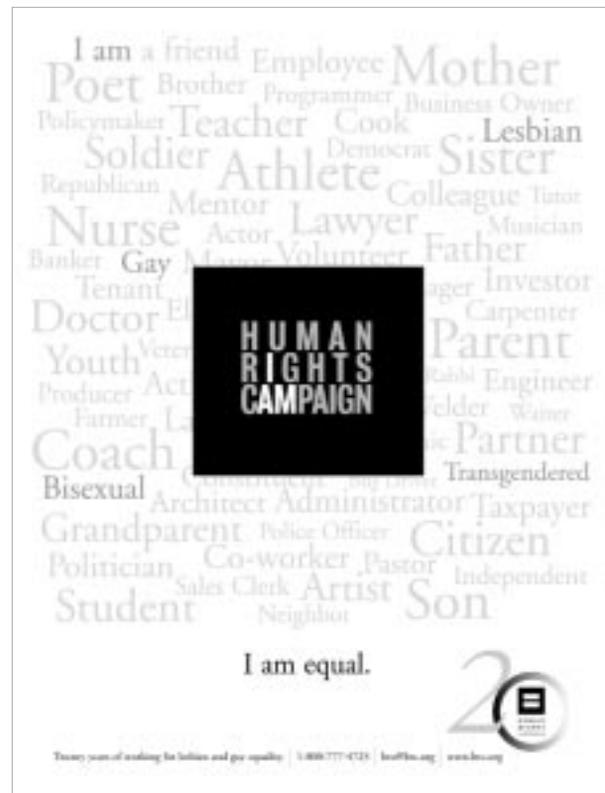
HRC's National Coming Out Project celebrated its 11th anniversary in 1999 by encouraging millions of Americans to "Come Out to Congress." NCOP planning kits were sent to more than 700 sites in advance of the Oct. 11, 1999, event.

Mailings, e-mails and a toll-free telephone line drew twice as many requests for NCOP materials as the year before, ensuring that the tools to participate were available in hundreds of cities and towns. For the first time, NCOP materials were also printed in Spanish, which played a major role in broadening participation among Latina/o communities.

In addition, HRC's distribution of 825 "Activate Your Future" kits to campus GLBT groups helped to substantially increase participation among college students. Hundreds used the occasion to come out, join the HRC Action Network or apply for jobs, internships, fellowships or positions in HRC's Youth College training institute for political activists.

'I AM' 20 YEARS OLD!

Among the activities developed to commemorate its 20th anniversary year, HRC launched a campaign built around the simple message "I Am." The concise, yet inclusive, statement was intended to affirm lesbian, gay, bisexual and transgendered people across America as members of the HRC community. The campaign was showcased in April 2000 during the Millennium March on Washington and remains an integral part of membership and voter registration efforts. "I Am" seeks to touch the hearts and identities of fair-minded Americans everywhere.



Whether provoked by the activism of its gay and lesbian employees, or guided by its own sense of fair play and effective employee relations, corporate America is increasingly taking the lead in advancing the cause of equality by adopting gay-inclusive policies and benefits programs. HRC's workplace advocacy continued to grow throughout 1999 as some of the nation's most prominent businesses stepped forward to embrace the movement toward workplace equality.

Some corporations, however, continued to resist the trend toward fairness. Most notably, the newly merged petroleum giant ExxonMobil replaced the gay-inclusive policies of one partner (Mobil) with the discriminatory policies of the other (Exxon). That setback was all the more striking given the clear trend toward equality, which the HRC Foundation continued to fuel with programs such as HRC WorkNet and the HRC Business Council.

HRC WORKNET

A Driving Force
for Corporate Change

HRC WorkNet continues to be the nation's leading clearinghouse for information on domestic partner benefits, non-discrimination policies and basic fairness for gay, lesbian, bisexual and transgendered workers. In 1999, HRC WorkNet advised scores of employers seeking to implement domestic partner benefits, including Price-WaterhouseCoopers, Boeing, Motorola, American and United Airlines and General Mills.

HRC WorkNet is an authoritative resource for corporate executives as well as gay and lesbian employees. It distributes a detailed monthly *WorkAlert* briefing to journalists, researchers and several thousand e-mail subscribers nationwide. It produced two major electronic and print projects in 1999:

The State of the Workplace for Lesbian, Gay, Bisexual and Transgendered Workers is an exhaustive analysis based on WorkNet's database and other research. Cited constantly by

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Workplace

journalists writing about the trend toward offering domestic partner benefits, it is also one of the most popular downloads on the HRC website.

Assisting the programs and strategies of WorkNet are members of the HRC Business Council, who serve as a sounding board for ideas and as ambassadors to corporate policy makers. In 1999, the Business Council achieved its goal to advise at least 10 corporations on issues of fairness to GLBT employees. And its members helped to enlist the support of 15 corporate sponsors of the federal Employment Non-Discrimination Act.

Transgenderism & Transitioning in the Workplace is a web-based tool to help employees and employers understand transgenderism and transitioning on the job. Published in April, it is used widely by individuals and corporations eager for practical information and informed recommendations for addressing an increasingly common employment issue. The resource has won wide praise from companies and workplace advocates alike.

EXXONMOBIL A Corporate Tug of War

In late 1999, the newly merged ExxonMobil Corp. took a discouraging step backward by ending Mobil's domestic partner benefit program and rescinding its policy banning discrimination based on sexual orientation. In so doing, ExxonMobil became the first major U.S. employer ever to roll back a non-discrimination policy, and only the second to end domestic partner benefits.

News releases, widely covered by surprised business media, noted that the move was bad for business as well as employee morale. While the company decided to grandfather benefits to current employees, the decision to end them affected a work force of 121,000 others. HRC representatives met with senior officials of the merged conglomerate to dispute the termination.

The move placed the newly formed company outside the mainstream of American business, where more than 3,500 employers currently offer domestic partner insurance benefits, including more than 100 Fortune 500 companies.

ADAM'S MARK HOTELS Missing the Mark on Equality

HRC was one of the first national organizations to sever its ties with the Adam's Mark Hotel chain, canceling a major event at its property in Denver. HRC's well-publicized action inspired more than 100 other organizations to follow its lead, which was provoked by a lawsuit filed by the Department of Justice, NAACP and Florida attorney general against the chain for alleged violations of the Civil Rights Act of 1964. The hotel was charged with discriminating against its African-American guests and employees.

mployee.



A momentous decision by the Vermont Supreme Court requiring state law to extend the benefits and protections of marriage to same-sex couples was a remarkable victory for gay and lesbian families everywhere. It was also a glimmer of hope in a year that saw Hawaii's Supreme Court withdraw its preliminary endorsement of the rights of same-sex couples (in the aftermath of a 1998 ballot measure that declared same-sex marriage unconstitutional), and the comfortable passage of the March 2000 Knight Initiative in California.

In the meantime, states and courts struggled to address the realities of gay, lesbian, bisexual and transgendered family-making. To help them navigate the shifting tides of federal, state and corporate policy affecting them, the HRC Foundation prepared to launch FamilyNet, its largest initiative ever aimed at the lives of gay and lesbian families.

FAMILYNET
A 'Cyber Village'
for Gay and Lesbian Families

In October 1999, planning began for FamilyNet, a "virtual village" where gay and lesbian families could tour destinations ranging from Main Street to the Business District to learn about legal, parenting, financial, religious, health, aging and other issues that affect their daily lives.

Family

Visitors would be able to download legal documents, link to gay-friendly providers, and look up local groups and activities. FamilyNet would also provide a forum where families could share experiences and consult with experts.

FamilyNet would be unique on the World Wide Web, and unique as a project of a gay and lesbian organization. The idea for the project came from HRC board member Tina Podlodowski, who is the mother of two young children and has had to deal with many of the complex issues facing lesbian parents. She found a sympathetic ear in HRC Executive Director Elizabeth Birch, herself the mother of two young children, and together the two have been the driving force behind the initiative. The project's founding partners include Family Pride Coalition, Children of Lesbians and Gays Everywhere and the National Center for Lesbian Rights. FamilyNet launched in October 2000.

SAME-SEX MARRIAGE

A Honeymoon in Vermont

In December 1999, the Vermont Supreme Court handed down a monumental decision, ruling that same-sex couples must be offered the same benefits and protections that married heterosexual couples receive. In its ruling, the court directed the state

Legislature to decide whether those benefits should come through traditional marriage or a similar arrangement such as domestic partnerships.

Under the ruling, Vermont became the first state to create a legal status of "civil union" between people of the same sex in July 2000.

As a member of the National Freedom to Marry Coalition, HRC continues to lobby for full marriage rights in all 50 states.

Through action alerts, phone calls and e-mails, HRC worked with and encouraged its members in the state to become involved with the Vermont Freedom to Marry Task Force, which has been doing outreach on marriage for same-sex couples since 1995. HRC also asked its members to contact their state legislators and the governor and to contribute to the task force.

RELIGION

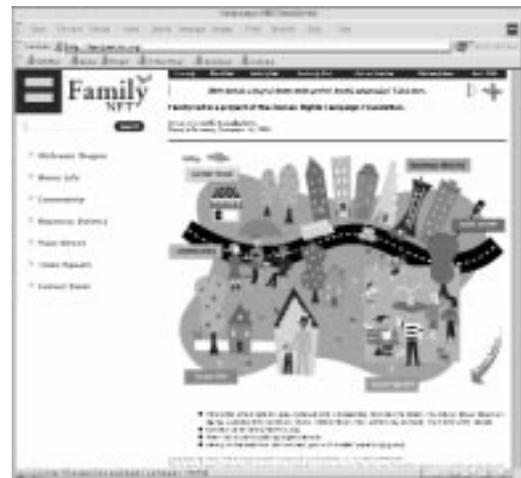
'Mixed Blessings' for Gays and Lesbians

In August 1999, the HRC Foundation sponsored a panel discussion of how large mainstream religions are treating gay and lesbian Americans, particularly with respect to the controversy surrounding the religious traditions of heterosexual marriage.

At the event, the HRC Foundation released *Mixed Blessings: Mainstream Religion and Gay & Lesbian Americans*,

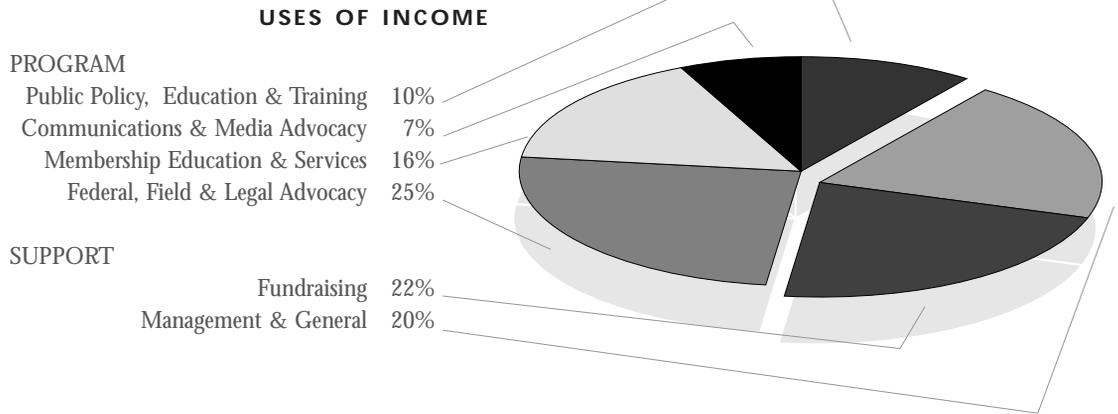
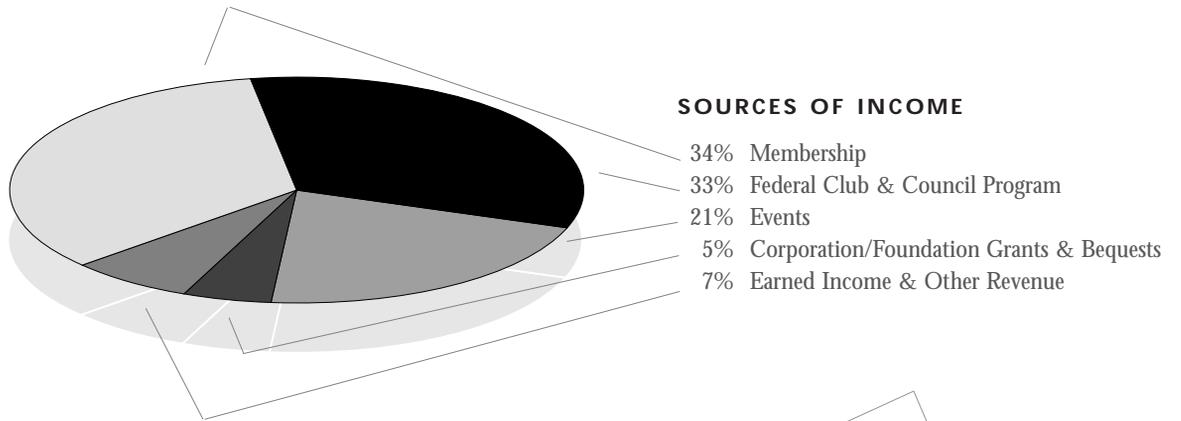
the first comprehensive look at developments within the largest organized religions in the country on the subject of homosexuality. Among its findings: There is no single religious view about gay and lesbian people. Nor is there one set of answers to such questions as, *Is gay and lesbian sex a sin? Should ministers and rabbis bless gay and lesbian unions? And should faith communities support or oppose civil rights for gay and lesbian people?*

The report and the conference were received with wide praise from people of faith struggling to reconcile the historic view of homosexuality as inherently sinful, with the reality that most gay and lesbian people are moral, principled individuals who just happen to love differently.



FISCAL YEAR 2000

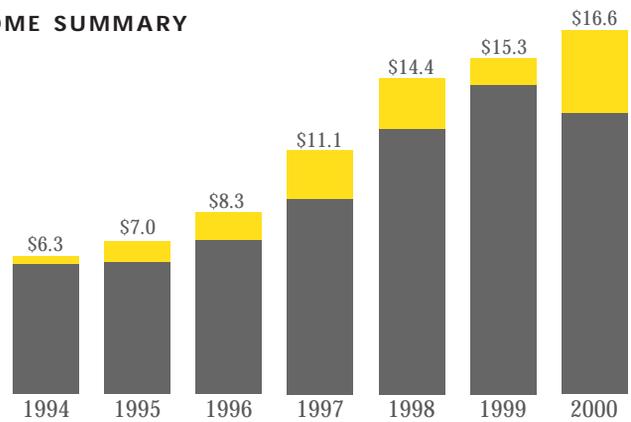
Combined Financial Summary for HRC and the HRC Foundation



SEVEN-YEAR COMBINED INCOME SUMMARY

Figures shown in millions.

■ HRC Foundation
■ HRC



Financial Statements

Statement of Activities

SOURCES OF INCOME	HRC	HRC	
		Foundation	Combined*
Membership	\$ 5,772,825	\$ –	\$ 5,772,825
Federal Club & Council Program	2,707,878	2,700,127	5,408,005
Events	3,184,980	247,526	3,432,506
HRC Foundation Grant	265,000	–	–
Corporate/Foundation Grants & Bequests	542,379	358,150	900,529
Earned Income & Other Revenue	622,399	466,808	1,089,207
Total Income	13,095,461	3,772,611	16,603,072
USES OF INCOME			
<u>Programs</u>			
Federal, Field & Legal Advocacy	3,629,273	511,386	4,140,659
Membership Education & Services	2,536,093	–	2,536,093
Communications & Media Advocacy	719,517	349,852	1,069,369
HRC Foundation Grant to Support HRC Programs	–	265,000	–
Public Policy, Education & Training	1,085,708	423,674	1,509,382
Total Programs	7,970,591	1,549,912	9,255,503
<u>Supporting Services</u>			
Management & General	2,696,067	482,404	3,178,471
Fundraising	2,911,225	539,169	3,450,394
Total Supporting Services	5,607,292	1,021,573	6,628,865
Total Expenses	13,577,883	2,571,485	15,884,368
Change in Net Assets	(482,422)	1,201,126	718,704
Net Assets at Beginning of Year	2,145,162	3,847,555	5,992,717
Net Assets at End of Year	1,662,740	5,048,681	6,711,421

Source: Audited financial statements for the year beginning April 1, 1999, and ending March 31, 2000.

*Combined statements exclude intercompany transfers.

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Carolina
David Geffen Foundation
The Gill Foundation
IBM International Foundation
Jewish Community Foundation
Elton John AIDS Foundation
Joyce Mertz-Gilmore Foundation
Levi Strauss Foundation
The New York Community Trust
Pacific Bell Foundation
Michael Palm Foundation
Safeco Insurance Co.
Stonewall Community Foundation
Target, Dayton Hudson's and
Mervyn's Foundation
Tides Foundation
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US West Foundation
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Cathy Nelson
Development Director

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Winnie Stachelberg
Political Director

Anthony E. Varona
*General Counsel
and Legal Director*

Russell Vert
Finance Director

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HRC board members listed above are current as of Dec. 10, 2000.

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Poet Machinist Teacher Niece
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Human Rights Campaign 919 18th St., N.W., Washington, D.C. 20006
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