



CHIEF FINANCIAL OFFICER
JIMMY PATRONIS
STATE OF FLORIDA

Tuesday, October 29, 2024

Chris Spencer, Executive Director
Florida State Board of Administration
1801 Hermitage Blvd #100
Tallahassee, FL 32308

Dear Mr. Spencer,

Florida's economy is in its prime, with a Triple A bond rating for the fifth year in a row, record reserves, and we are outpacing the country in nearly every key economic metric. If Florida were its own sovereign nation, it would be the 16th largest economy globally. For generations, many states and countries have viewed Florida as an economic leader and innovator, given its impressive track record and pioneering spirit in various fields, including space travel and FinTech.

I am writing to you today with that same innovative spirit in mind. In a recent speech at the Bitcoin 2024 convention, President Donald Trump proposed the idea of a national stockpile of cryptocurrency, vowing to make the U.S. the world's cryptocurrency leader. This comes as the Communist Party of China makes inroads every day into the crypto world to grab control over this emerging currency. Trump said he would establish a crypto presidential advisory council and create a national "stockpile" of bitcoin using cryptocurrency the U.S. government currently holds, mostly seized in law enforcement actions. I believe this forethought and innovative thinking from a successful businessman like President Trump must not be taken for granted.

Recently, Governor Ron DeSantis also leaned forward to protect the personal finances of Floridians from government overreach and woke corporate monitoring by signing legislation to fight back against Central Bank Digital Currencies (CBDC). His leadership in this area protects consumers against globalist efforts to adopt a worldwide digital currency. Likewise, on its face, crypto is the antithesis of a central currency, providing decentralized digital currencies managed on blockchain technology, not issued or controlled by any government agency.

When managing state pensions for firefighters, teachers, and police officers, it's also essential to prioritize the bottom line and ensure the best return on investment for Floridians. This is where the potential of investing in a cryptocurrency, like Bitcoin, becomes particularly compelling.

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Bitcoin is often called “digital gold,” and it could help diversify the state’s portfolio and provide a secure hedge against the volatility of other major asset classes. The State Board of Administration maintains a Florida Growth Fund that allows for more innovative and emerging investments, and a Digital Currency Investment Pilot Program could be a perfect fit, offering potential benefits we cannot afford to overlook.

Two other states, Wisconsin and Michigan, have seen it wise to invest a small portion of their pension funds into cryptocurrency. In March, Arizona’s state Senate advanced efforts to add crypto to state retirement funds to encourage pension fund managers to consider crypto in their allocations. Moreover, Wyoming and Nebraska are leaders in crypto mining and have enacted dozens of laws to attract the industry, including a framework for chartering crypto banks.

As a Trustee over the State Board of Administration, please consider this letter as a request to the SBA to provide a report on the feasibility, risk, and potential benefits of directing a portion of state retirement system monies into digital asset classes. This report should be provided to the Board of Trustees to better inform lawmakers before the next legislative session. There’s no telling what the future of cryptocurrency will be, but it’s important that the State of Florida stays ahead of the curve when considering new investments and providing the best returns for Floridians.

Sincerely,



Jimmy Patronis
Chief Financial Officer