

The Grants Council proposes repurposing the 2.5M OP that was already approved but not used. Should this proposal pass, Token House would re-allocate 2.5M OP towards Intent 2 as follows:

- 1M OP increase in budget for Experiments
- 1M OP increase in budget for Builders
- Remaining available for both Sub-Committees as buffer (~500k OP)

Without an increase in budget for Intent 2, the Grants Council will need to reduce the number of finalists in Cycles 14 and 15 dramatically relative to past cycles. Given the marked increase in demand for Optimism grants and an attendant improvement in quality of proposals, the Council believes that it is crucial to increase the budget for the remainder of Season 4.

Season 4 Intents Budget / Remaining OP

In total, 10M OP was approved for Season 4 Intents as follows:

- Intent 1: 1M OP; ~599k OP remaining
- Intent 2: 5M OP; N/A
- Intent 3: 1M OP, ~520k OP remaining
- Intent 4: 3M OP, ~1.4M OP remaining

After the Mission funding process, 2.5M OP that was originally approved to fund the Season 4 Intents remains undistributed and will otherwise be returned to the Governance Fund as outlined [here](#).

Intent 2: Grants Council in Season 4

Thus far, the Grants Council has received 202 proposals Experiments and Builders proposals for Season 4 with another submissions cycle to go. At the current pace, we expect over 300 proposals by the end of the Season, setting aside RFG proposals. This is compared to 151 proposals for the entirety of Season 3 (which was two cycles). It would be sub-optimal to have to turn promising applications away due to the budget shortfall.

After Cycle 13, the remaining budget available for each Sub-Committee is as follows:

- 959.5k OP / 2M OP allotted for Experiments
- 377.5k / 1M OP allotted for Builders

Both Sub-Committees noted a marked improvement in the quality of proposals made in Cycle 13 relative to prior Cycles. Nevertheless, the success rate for finalists declined notably.

S3 Pass Rate

C13 Pass Rate

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Total

33.8%

24.5%

(9.2)%

Growth

27.1%

20.8%

(6.3)%

Builders

45.5%

27.6%

(17.9)%

Based on the quality of proposals and the reduction in success rate, each Sub-Committee deemed the allocations approved for the Cycle (relative to budget) to be merited.

Intent 2 Review

The Season 4 budget for Intent 2 was initially created assuming Season 4 would consist of two cycles. The initial allocation to Experiments was meaningfully lower this Season than in Season 3. The intention was to make way for RFGs and to incentivize proposers to create proposals proportional to the benefit they bring to the Optimism ecosystem.

Given the limited budget, the Council has also further pursued discipline in Experiments proposals by creating a rule that the full Council must vote to approve any grant in excess of 150k OP (bearing in mind the maximum for Seasons 3 and 4 is 250k). In the last Cycle, each successful proposer that requested a grant in excess of 150k OP received only 150k OP.

Based on the increased number of proposals and the increase in proposal quality, in order to sufficiently support the Council believes this grant applicants in a three-cycle Season, the budget for Intent 2 must be increased.

We believe this increase should be used to support for Builders and Experiments grants. The Council will not request an increase for to RFGs, as the strategic determination was made to pursue RFGs lightly in the first cycle of the Season due to the diminished reviewer capacity created by the concurrent Missions review. The Council has begun ramping up RFGs and intends to create more in the coming weeks.

For more detail on the Council's review statistics, see the chart below. For the initial budget, see this [post](#). As a reminder, the Grants Council's landing page and information is available on [CharmVerse](#). We will host an AMA for delegates at the end of the Season and will continue to attend delegate calls to answer any questions in the interim. We appreciate your consideration.

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