

There will be a session to discuss any and all of the below with the Foundation from 9:00 - 9:30am PST / 5:00 - 5:30pm GMT on Wednesday, November 9th.

Recording from this session can be found [here](#).

We'd like to start with a huge thank you to our tireless delegates. We appreciate all of your hard work and for being a part of our iterative governance experiments to date. We know it's not easy to be the first to try something.

Each Season is an experiment as the Collective iterates toward its final governance design. Community feedback has surfaced many learnings during Season 2, and Season 3 is an opportunity to course correct in the face of some hard truths:

- Delegate Overload:

Delegates are overloaded with proposals to vote on, which is leading to lower participation among some top delegates. Placing this level of demand on delegates does not position Token House governance to effectively scale. Ideally, the Token House would infrequently approve high importance decisions and serve as a check on the Citizens' House. The Token House would not be voting frequently on granular decisions such as individual grant approvals.

- Proposer Frustration:

Proposers find the current grant process hard to navigate and are frustrated with conflicting feedback from delegates. Several protocols have gotten so frustrated that they've considered leaving the Optimism ecosystem to work with competitors.

- Protocol Participation:

Protocols are frustrated by debates concerning self-delegation. Protocols are important stakeholders and should have a voice in governance, but delegates are understandably uncomfortable with protocols self-delegating grants to increase voting power.

- Committee Conflict:

Committees helped reduce non-committee member workload, but added complexity to the process and introduced additional confusion for proposers. Conflicts between committees contributed to a dramatic degradation in governance culture.

- Culture Concerns:

Governance culture is not currently reflective of the Collective's values. Governance conversations have been lacking in civility, respect, and positivity. There hasn't been an enforceable code of conduct to address inappropriate delegate behavior, which has occurred frequently.

- Limited Accountability:

The [impact of Governance Fund grants](#) has been disappointing so far. The pace of grant distribution has been aggressive and there is almost no accountability for grant recipients. There have been multiple examples of grant-related transactions well outside the scope of what was outlined in proposals.

- Undefined Scope:

There has been limited guidance on the types of initiatives grants should support. This has led to the over-funding of less effective initiatives (like retroactive airdrops) and the under-funding of strategically important initiatives (like builder grants.)

While we have challenges to overcome, delegates have also shown a remarkable dedication to Optimism and an impressive willingness to experiment. We're extremely grateful to delegates (and their delegators!) for their dedication during the earliest stages of the Collective. It makes us incredibly optimistic about the future of Token House governance. Experimentation and iteration have been core to the vision for Optimism governance from the start. We didn't expect to get things right on the first try, and it's clear we're ready for some big changes. The below docs outline several initiatives aimed at addressing the above challenges for Season 3.

We would appreciate community feedback on the following posts:

- [Delegate Code of Conduct](#): An enforceable delegate code of conduct to restore a healthy governance culture
- [Governance Fund Charter](#): Guidance on the purpose and scope of the Governance Fund

We would appreciate community feedback on the following proposal drafts. Token House will vote on final drafts in Special Voting Cycle #9a:

- [Draft Proposal: Moving to a Grants Council](#): A proposal to restructure the grants process to overcome the challenges faced by committees, improve the proposer experience, create accountability for grant recipients, and reduce delegate workload

- [Draft Proposal: Protocol Delegation Program](#): A proposal to allow protocols to have a voice in governance without self-delegating grants

In recognition of the incredible work delegates have done in Seasons 1 & 2:

- [Retroactive Delegate Rewards for Season 1 & 2](#) Retroactive rewards in recognition of the incredible work top active delegates have done

The next few weeks will follow the below schedule, as original outlined in [Governance Update #4](#):

- Nov 10 - Nov 16th:

Off-Season for Committees to allocate the retroactive component of their compensation

- November 17th - December 7th:

Reflection Period

- Dec 8th - Dec 21st:

Special Voting Cycle #9a

(voting on grants council and protocol delegation program proposals)

We are making the following updates to the schedule following Special Voting Cycle #9a:

- December 22nd - Jan 4th:

Holiday break

- Jan 5th - January 18th:

Special Voting Cycle #9b

(any proposals contingent upon passing in Special Voting Cycle #9a

). If Special Voting Cycle #9b

is not necessary, Season 3 may start on January 5th

- January 19th:

Season 3 starts with Voting Cycle #10