Missouri State University’s Unique Rollover Clause:
A Tournament Bid to Extend the Contract Term for Five Years
By Martin J. Greenberg

Paul Lusk is currently an assistant basketball coach at Purdue University (2021).¹ Previous to that he served as an assistant coach at Creighton University from 2018 to 2021.² Prior to that he served as a head basketball coach at Missouri State from 2011 to 2018.³ He played college basketball at Southern Illinois University under head coach Rick Herrin. Lusk replaced long time Missouri State basketball coach Cuonzo Martin in April of 2011.⁴

On April 1, 2011, Lusk entered into an Employment Contract with Missouri State University.⁵ The employment term was from April 1, 2011 to March 31, 2016⁶. Paragraph 6 of the Employment Contract, Other Compensation and Incentives, provided for bonuses in the event that Lusk was able to get Missouri State to a post-season tournament.⁷

6. Other Compensation and Incentives
   a) Achievements Payments
      (iii) Conference Post-Season Tournament
      
      In the event a post-season tournament is held, and the Team is champion of that tournament, an additional Ten Thousand Dollars ($10,000) will be paid to Mr. Lusk.

      (iv) NCAA Men’s Basketball Tournament
      
      In the event the Team is invited to appear in the NCAA post-season tournament, Mr. Lusk will be paid an additional Ten Thousand Dollars ($10,000). Additionally, Mr. Lusk will be paid Twenty Thousand Dollars ($20,000) for each victory in the tournament.

² Coaches Database, https://www.coachesdatabase.com/paul-lusk/
³ Id.
⁴ Id.
⁵ Employment Contract between Paul Lusk and Missouri State University dated April 1, 2011, on file with the author.
⁶ Id.
⁷ Id.
(v) Men’s NIT Tournaments

In the event the Team is invited to appear in the men’s version of the NIT post-season tournament, Mr. Lusk will be paid an additional Two Thousand Five Hundred Dollars ($2,500). Additionally, Mr. Lusk will be paid Five Thousand Dollars ($5,000) for each victory in such tournament.  

During the 2011-12 season, Lusk posted a 16-16 record, during the 2012-13 a season an 11-22 record, and during the 2013-14 season a 20-13 record. Missouri State executed their First Addendum to Employment Contract dated April 1, 2014 with Lusk. The Addendum has a provision under Term of Employment that is quite unusual.

Paragraph 1 “Term of Employment” is revised to read as follows:

The University does hereby employ Mr. Lusk for a term from April 1, 2014 through March 31, 2019 as its Head Men’s Basketball Coach, subject to renewal, cancellation or termination, on the terms and conditions hereinafter provided. If the University’s Men’s Basketball team competes in the NCAA men’s basketball tournament during the term of this Employment Agreement, Mr. Lusk will have the option to extend this Employment Agreement (on the terms and conditions then in effect) for a term of five years from May 1 of the year of such tournament. To exercise such option, Mr. Lusk must notify the University that he is exercising his option on or before May 1 of such year.

During the 2014-15 season, Lusk posted a 11-20 record, during the 2015-16 season a 13-19 record, during the 2016-17 season a 17-16 record, and during the 2017-18 season an 18-15 record. His overall record at Missouri State was 106-121 with 51-75 record in the Missouri Valley Conference.

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8 Id.
10 First Addendum to Employment Contract between Paul Lusk and Missouri State University date April 1, 2011.
11 Id.
Lusk’s Employment Contract was further amended in 2018 to remove the NCAA Tournament clause provision which if accomplished would have given him the option to renew his contract for another five years.14

The Amendment to the contract states that “the parties desire again to amend the Agreement to eliminate certain language granting Coach Lusk the unilateral right to extend the term of his Agreement in the event that the Team competes in the NCAA Men’s Basketball Tournament.”15

Along with the removal of the contract extension, the cost to buy out Lusk’s contract [...] remain[ed] at $371,453 if the Bears choose to part ways with Lusk at the end of the 2017-2018 season. If the clause remained [in,] and Lusk had the opportunity to exercise his contract extension, Missouri State would have faced a [potential] buyout of $1.8 million.16

“MSU Director of Athletics Kyle Moats said it’s a clause included in the contracts of many of the coaches under multi-year deals at the school, including women’s basketball coach Kellie Harper, baseball coach Keith Guttin and volleyball coach Melissa Stokes.”17

In an article from the Springfield News-Leader, Springfield, Missouri, I was quoted as saying that the clause is "unusual, at best."18

“This type of activity (reaching the NCAA Tournament) usually earns bonuses,” Greenberg said. “It does not earn a rollover on the contract. This rolls over that contract for five years, regardless of where you are on the contract. I guess you can put this as a highly unusual clause, and having reviewed probably 90 percent of the contracts in college athletics that involve coaches, I have never seen this before.”19

15 Id.
16 Id.
18 Id.
19 Id.
Lusk's contract does include such bonuses, including $10,000 for an NCAA Tournament appearance and $20,000 for each NCAA Tournament victory.\textsuperscript{20}

A “rollover clause” has been used in coaching contracts to keep the length of a contract constant, automatically extending it by a year at the end of each season. Such clauses are [or were] in place in the contracts of Gregg Marshall at Wichita State, Mike Leach at Washington State, and Mark Dantonio and Tom Izzo at Michigan State. Those clauses, though, aren't triggered by a specific achievement, and are annual extensions by a single year. Additionally, the right to exercise that clause is typically in the hands of the university, or by mutual agreement of the university and coach.\textsuperscript{21}

While Rollover Clauses are still utilized in college coaching contracts, see article by Martin J. Greenberg dated November 1, 2012 (https://law.marquette.edu/assets/sports-law/pdf/gcc-rollover-art.pdf), they are less seldomly used today than in the past.

Rollover clauses can be written in four varieties: (1) where there is an automatic right of the university to rollover or extend; (2) where the rollover is subject to the mutual consent of the university and coach; (3) where the rollover increases the term to the original term in the event that a rollover does not occur in one year; (4) where the rollover provision is subject to the right on the part of the coach to terminate the contract in the event the rollover does not occur in successive years without the need to comply with a release or buyout provision; and (5) where the rollover is contingent upon meeting certain performance standards such as wins or tournaments or bowl championships.\textsuperscript{22}

As an alternative to rollovers, predetermined dates for extension based upon a mutual agreement between the parties as well as escalators in compensation and term extension based upon performance levels could also be utilized.\textsuperscript{23}

\textsuperscript{20} Id.
\textsuperscript{21} Id.
\textsuperscript{23} Id.
While Lusk’s Employment Contract and Amendment are interesting and originally contain both tournament bonuses and the right to unilaterally extend this contract in the event his team was invited to a tournament. It is highly unlikely that you will see this type of clause with any regularity in any coaches’ contracts today.