

Frequently Asked Questions for KDOT and KTA Websites

Q1: What are other states doing to fund their roads?

A1: *States use a combination of funding mechanisms for roads, with the motor fuel tax, vehicle registration fees, and sales taxes being most common. An increasing number of states are using or considering tolls to meet their transportation funding needs. A recent survey of state transportation officials indicated that 31 of the 50 states and the District of Columbia have or are planning toll roads, including 24 states that are operating toll roads and 7 states that are planning to toll. Recent changes in Federal policy have allowed some blending of toll and non-toll sources of funding; some states are even considering tolling Interstate highways.*

(For further information, link to pages 2-10 through 2-12; pages 3-8 through 3-13; and pages 4-34 through 4-35.)

Q2: The cost of driving has increased so much. Why isn't there enough money to pay for our roads?

A2: *The increased cost of driving largely reflects the rapid escalation of fuel prices in recent years. However, paying a higher price for gas does not mean that drivers are contributing more towards the cost of roads since motor fuel taxes are collected at a flat dollar amount per gallon. With improved fuel efficiency (more miles per gallon) of vehicles, this flat dollar amount per gallon actually means less money per mile of travel. At the same time, the cost of construction has been increasing at a rate higher than inflation. In addition, roads have experienced the normal wear and tear of years of use and a steady rise in traffic, generating the need for major rehabilitation and repairs. The cumulative impact of these financial realities is that a single major replacement project today often approaches the entire initial capital cost of a roadway. This is the case on the Kansas Turnpike where the cost of replacing the original bridges over the Kansas River will cost nearly the same amount as the cost to construct the entire 236-mile roadway in the mid-1950s.*

(Link to sidebars on "Perception at the Pump Vs. Reality of the Road" and "Rethinking Traditional Funding Sources – Moving Toward User Fees Based on Actual Travel" in Section 2; and pages 3-22 through 3-24.)

Q3: We don't have congestion in Kansas. Why do we need tolls?

A3: *Tolls offer a number of advantages over other funding sources:*

- *Since a toll is a user fee charged for a driver's use of a particular facility, it is a fair and precise way of charging drivers in direct relationship to how much they use it.*
- *Tolls assure the ability to have out-of-state drivers pay their fair share for the use of a road.*
- *Tolls back revenue bonds which can be issued, accelerating construction funding.*
- *The ongoing income from tolls provides a dedicated revenue stream to fund all costs of a facility over time, thus assuring that it will be operated and maintained at an acceptable level of service.*

Q4: I don't want a tax increase. Are there other options for funding maintenance and new roadway construction?

A4: *Based on existing practices of other states, other options to increasing fuel or sales taxes which can be considered include:*

- *Annual inspection fees*
- *Motor oil disposal fees*
- *Rental car surcharges*
- *Traffic violation surcharges*
- *Fees for heavy trucks*
- *Auto excise taxes*
- *Emission surcharges on new vehicles*
- *Surcharges on commercial parking spaces*
- *Beneficiary charges, sometimes called impact fees*

Q5: Should the Turnpike be sold in order to use the proceeds for other needs in Kansas?

A5: *The Kansas Turnpike is owned by the Kansas Turnpike Authority, a creation of the Kansas legislature. It is therefore, not a saleable asset. Any change in the structure of the KTA is a matter of public policy and would have to be changed by legislation.*

Q6: I already pay for roads when I fill my car with gasoline. Aren't tolls a form of double taxation?

A6: *Within the state of Kansas, no motor fuel tax money goes toward operating the Turnpike. In fact, not even the fuel tax on gas purchased at Kansas Turnpike service areas is used for funding the Turnpike. Instead, fuel tax is used to help fund other roads throughout the state. The Kansas Turnpike is fully self-supported, with all of its costs covered by the tolls it collects from drivers using the road.*

Q7: We need a quick way to get to the other side of town, but can't find any funding to build a new facility. Could my roadway project qualify for toll financing?

A7: *Determining whether a project qualifies for toll financing is a complex process and requires a series of increasingly sophisticated analyses. These are typically referred to as "Traffic and Revenue" studies that address a number of factors such as potential traffic levels, drivers' willingness to pay a toll, and the cost of right-of-way in that specific area. It is not possible to pre-determine whether a particular project qualifies for toll financing without detailed project-specific analysis.*

(For further information, link to pages 2-15 through 2-18)

Q8: Why can't all roads be free?

A8: *The economic reality is that there are no free roads. All roads cost money to build, operate, and maintain; the money to do so has to come from somewhere.*

(For further information, link to sidebars on "Visible vs. Hidden Costs of Roads" and "There are no free roads" in Section 2.)

Q9: What does PPP mean?

A9: *PPP stands for "public-private partnership," which is an umbrella term for a continuum of contractual arrangements between a public agency and private sector entity. Each arrangement has a unique legal and financial structure. Other terms used to describe some PPPs include long-term concession agreements, asset monetization, and privatization. PPPs take a variety of forms, with different levels of risk and participation assumed by the private sector partner. A number of states have advanced PPPs to tap private sector funding for transportation projects.*

(For further information, link to pages 3-27 through 3-34.)

Q10: Does toll financing help make a project "feasible"?

A10: *Toll financing can help make a project feasible by accelerating the availability of up-front funding to construct a project and by providing a source of ongoing revenues to operate and maintain a facility. However, assessing project feasibility is a complex process. While a series of "Traffic and Revenue" studies are performed to establish feasibility from a strictly financial perspective, a number of non-financial factors are also important in establishing project feasibility. It is not possible to pre-determine whether a particular toll project is feasible without detailed project-specific analysis.*

(For further information, link to Exhibit 4-10 on page 4-33.)

Q11: What are "HOT" lanes and how do they work?

A11: *"HOT" lane stands for High Occupancy/Toll lane, and is a toll application typically used in densely congested urban areas as a way to optimize use of limited roadway capacity. A HOT lane is a lane that is separated in some fashion from the general traffic lanes. It typically provides free access to some high occupancy vehicles (HOVs) and mass transit, while giving single occupant vehicles the choice of paying a toll to use the lane. In a number of cases, HOT lanes have been converted from underutilized HOV lanes.*

There are a variety of HOT lane configurations in operation, but in all cases, they are in some way separated from the general purpose lanes. A number of different techniques are used to provide a safe separation to prevent non-paying drivers or ineligible vehicles (some HOT lanes provide toll-free access for HOVs) from crossing into the HOT lanes and disrupting traffic flow. Physical barriers are the preferred method for controlling access, reducing violations, and ensuring that premium levels of service are maintained; however, there are HOT lanes that are separated from the general purpose lanes with lane striping. The state-of-the-practice for HOT lane operation relies on automated toll collection with either

electronic transponders (in-vehicle tags like K-TAG) or video license plate reading (OCR, or optical character recognition), so that vehicles do not have to stop to pay a toll at a traditional toll plaza. Clear signage, comprehensive public information, and a systematic monitoring program are also important components of HOT lane operations.

For further information about HOT lanes, see “A Guide for HOT Lane Development,” published by the Federal Highway Administration and available at the following link: http://ntl.bts.gov/lib/jpodocs/repts_te/13668_files/images/13668.pdf

Q12: The Kansas Turnpike was built in the 1950s. I heard it was supposed to be free when the bonds were paid off. Why are we still paying a toll?

A12: Although the initial bonds for the original construction of the Kansas Turnpike were paid off, the economic reality is that ongoing expenditures have been required, and continue to be needed, to be able to operate the turnpike in a state of good repair. Over the years, the Kansas Turnpike has also made a number of significant capital improvements, issuing new bonds to fund the costs of those improvements. Tolls continue to be needed to provide financial backing for those bonds as well as to cover the ongoing costs of maintenance and operations. Tolls enable the Kansas Turnpike to be fully self-supported so that the state’s traditional funding sources such as fuel taxes can be used for other roadways throughout the state.