In 2015, Congress required Federal civilian agencies to implement several cybersecurity best practices, including encrypting data and using two-factor authentication. The law also gave agencies the ability to self-issue indefinite, blanket waivers for all of these cybersecurity requirements.

The Federal Cybersecurity Oversight Act of 2020 would increase oversight for agency waivers of important federal cybersecurity rules. This bill shifts from indefinite waivers to waivers that last one year. In addition, the bill requires the Director of the Office of Management and Budget to approve all waivers, which can currently be self-issued by the head of the agency. To request a waiver, the agency head will have to certify that:

- It would be excessively burdensome to implement the particular requirement;
- The particular requirement is not necessary to secure the agency system and data; and
- The agency has taken all necessary steps to secure the agency system and data.

This bill also requires that existing annual cybersecurity reports to Congress include a list of the specific cybersecurity waivers that the agency has received, along with an estimate for when the agency expects to be able to meet the cybersecurity requirements.